



DEPARTMENT OF GEOSCIENCES AND GEOGRAPHY C2

IMMIGRATION, HOUSING AND SEGREGATION IN THE NORDIC WELFARE STATES

**ROGER ANDERSSON, HANNA DHALMANN, EMMA HOLMQVIST,
TIMO M. KAUPPINEN, LENA MAGNUSSON TURNER, HANS SKIFTER
ANDERSEN, SUSANNE SØHOLT, MARI VAATTOVAARA, KATJA
VILKAMA, TERJE WESSEL, SAARA YOUSFI**



UNIVERSITY OF HELSINKI
FACULTY OF SCIENCE

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Introduction

Mari Vaattovaara, Roger Andersson, Hans Skifter Andersen, Susanne Søholt and Terje Wessel

Increasing levels of migration will have a significant influence on Nordic societies in the near future. New forms of diversity and multiculturalism are expected not only to shape politics and policy-making, but also to influence urban forms and structures. The emerging ethnic diversity is likely to affect residential decisions, and the ways in which residents interact in neighbourhoods, schools, playgrounds and workplaces. Such interaction, in turn, has direct bearings on social cohesion and intergroup understanding and tolerance (Andersson 2008; Wessel 2009). All in all, these processes are key elements fuelling interest in ethnic residential segregation.

There has been extensive research on ethnic residential segregation based on mapping and statistical indexes (e.g., Huttman et al. 1991; Musterd et al. 1998), but less is known about the complexities and dynamics behind spatially and statistically observable segregation patterns. Most studies on recent societal changes and increasing levels of international migration focus on questions related to the development of social structures, particularly professionalisation and polarisation, or more directly related to urban poverty (Sassen 1991; Hamnett 1994; Mollenkopf and Castells 1991). Another line of research concerns social cohesion and social order. What seems to be lacking, however, is a focus on the processes behind country- and city-specific forms of ethnic residential segregation, such as the links between welfare-state, housing and integration policies.

Although there is a vast body of Nordic research (e.g., Andersson 1998, 2007; Søholt 2001;

Heikkilä 2005; Musterd et al. 2008; Skifter Andersen 2010) on issues related to immigration and integration, much of the existing theory on segregation and settlement, and on housing choices among immigrants, still derives from the US experience. Furthermore, much of the interpretation and political implementation still reflect those experiences, even if the relevance of US and even European experiences in relation to the Nordic welfare states continue to be questioned. Previous research has shown that the causes and effects of segregation are highly context-dependent. Settlement and segregation patterns, processes and outcomes are shaped by a number of factors, including national immigration and integration policies, volumes of immigration, demography, the degree of urbanisation, housing and labour market structures, and housing, planning and welfare policies (e.g., Musterd et al. 1998; Vranken & Burgers 2004; van Kempen et al. 2006; Musterd et al. 2008).

There seems to be relatively wide theoretical and political agreement on the existence of the Nordic Welfare Model and how it differs in many ways from other welfare models (Esping-Andersen 1999; Kautto 2001; Bergh 2004; Castles & Himanen 2002; Sipilä et al. 2009). The main features of the Nordic Model include comprehensive social policy, strong state involvement, and a high degree of de-commodification and universalism in terms of both costs and gains. Given the structural similarities within the Nordic model, and the differences from the US and European models, it could be hypothesised that the Nordic countries are also able to success-

fully tackle issues related to immigration and residential segregation. Nevertheless evaluation of Nordic policy practices and their effects remains scarce.

This is where our project began. The aim of the NODES research project¹ is to capture and analyse the links between Nordic welfare state policies and trajectories of social and spatial integration. Our overall research question is two-fold: *How are the Nordic welfare states shaping the conditions for ethnic residential segregation and de-segregation, and how are the patterns and processes of segregation affecting the wider social and spatial developments in the different host societies?* These questions are addressed in five multidisciplinary subprojects. The first of these is the subject of this background report, which explores the similarities and differences in welfare, housing, immigration and integration policies, and provides an overview of migration flows and immigrant settlement patterns in the Nordic countries. The findings have yielded some preliminary hypotheses on the linkages between the welfare policies and processes of segregation, which will be further explored and tested in the other subprojects during the four-year research period.

This report comprises four country reports describing the policy framework and the development of recent immigration and segregation processes in Sweden, Denmark, Norway and Finland, respectively. The country reports expose the basic postulations of Nordic welfare and housing policies to empirical comparison. National-level politics, affected by the dialogue and shared experiences among the Nordic Council of Ministers, have had a profound influence on the respective political systems. The creation of the four welfare states relied on a certain level of

national uniformity. Thus, the top-down political approach to issues related to welfare, segregation and housing is deep-seated and has a long tradition. The ideological cornerstone behind the Nordic system is equality among individuals regardless of their demographic, socio-economic and ethnic characteristics. As Magnusson Turner (2010: 12) points out, the welfare policy is “comprehensive, i.e. it includes everybody in contrast to residual welfare regimes”. It is said that strong universalism is a prerequisite for the strong public support of welfare policies. However, as the Danish case indicates, this universalism has been under attack during the recent period of expansion in ethnic diversity.

A number of external and internal pressures have challenged the basic pillars of the Nordic Welfare Model during the last two decades. Economic restructuring and recession have affected all European countries and unemployment has thus also become an issue in the Nordic countries. Having been used to full employment, they now face a quite different societal situation. At the same time, income differences have begun to widen – or at least there has been an increase not only in the proportion of the wealthier population but also in their distance from the average income. This has a direct bearing on the housing market, and poverty has become an issue. These changes are coincident with the ageing of the population and the growth in immigration and cultural differentiation.

However, as Figures 1 and 2 show, the four Nordic countries are still coping well compared with the rest of Europe. Income differences remained relatively small from the mid-1980s until the mid-2000s, and the same is observable in terms of the risk of poverty. Indeed, the poverty risk was even higher than the EU average before the social transfers, but notably lower thereafter. The Nordic Welfare Model still seems to hold from these perspectives.

¹ Nordic welfare states and the dynamics and effects of ethnic residential segregation. The NODES project is a four-year comparative research project funded by NORFACE's Research Programme on Migration.

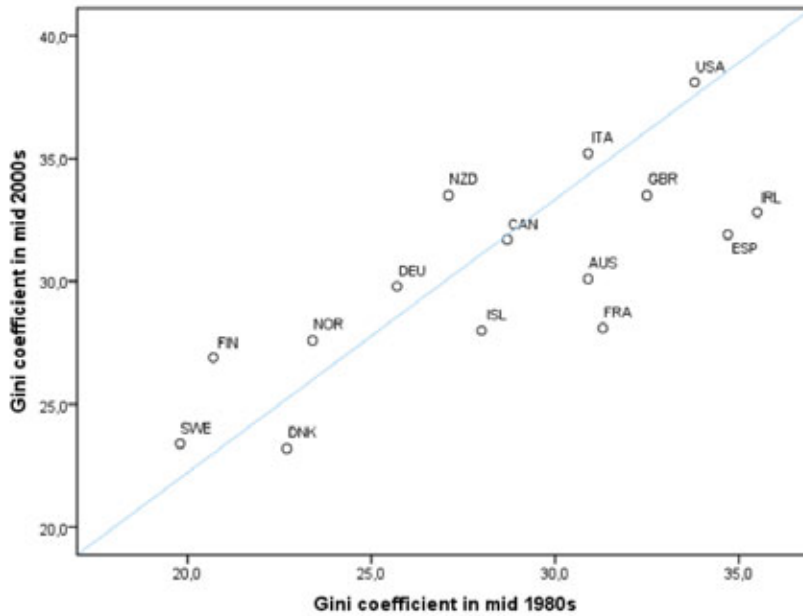


Figure 1. Income inequality from the mid-1980s until the mid-2000s (OECD 2010, see Vaattovaara et al. Chapter 1.2.3. in this publication)

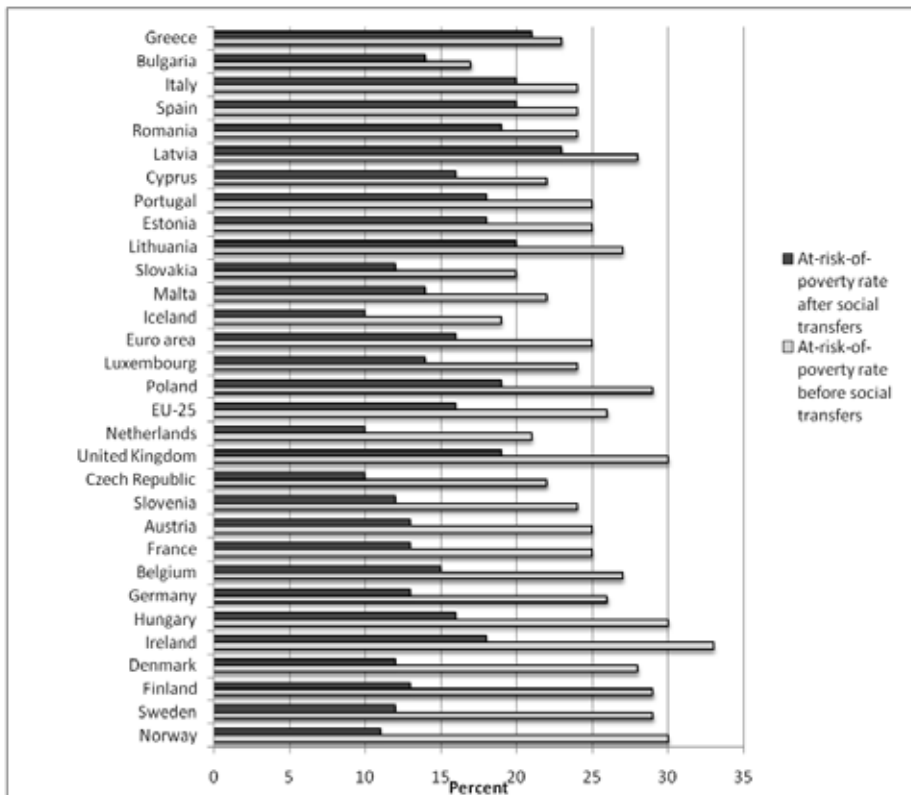


Figure 2. At-risk-of-poverty before and after the social transfers introduced in 2007 (Eurostat, 2007, (see Andersson et al. Chapter 1.2.4. in this publication)

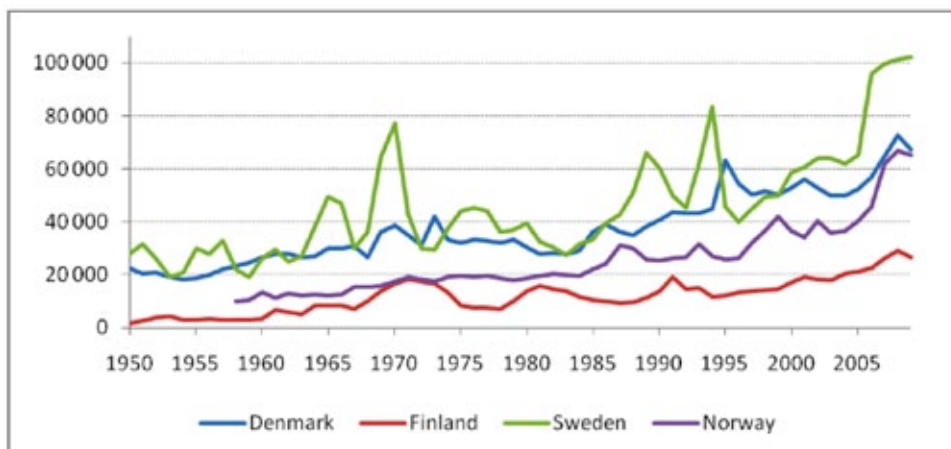


Figure 3. Immigration to the Nordic countries in 1950-2009 (Statistics Denmark, Statistics Finland, Statistics Norway, Statistics Sweden)

All the Nordic countries have ratified the 1951 UN Convention related to the status of refugees and its 1967 Protocol, and have relatively long traditions of engaging in international refugee-protection activities. However, the numbers of refugees and immigrants differ quite significantly in the different countries (Figure 3). Whereas immigration in Sweden and Denmark

has a long history, it started relatively late in Norway, and especially in Finland. Figure 3 shows the historical trends in immigration to the Nordic countries from the 1950s to the present, whereas Figure 4 illustrates the changes in net migration.

The numbers of immigrants have grown rapidly during the last ten years, increasing by 105 per cent in Sweden, 81 per cent in Finland and

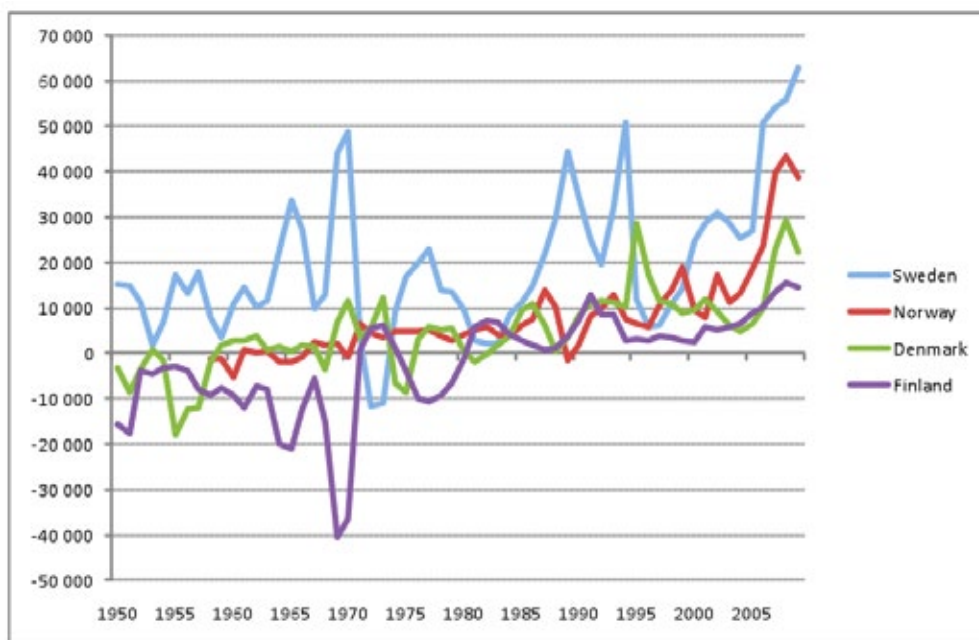


Figure 4. Net migration to the Nordic countries in 1950-2009 (Statistics Denmark, Statistics Finland, Statistics Norway, Statistics Sweden)

56 per cent in Norway. In Denmark, despite the big changes in the immigration laws in 2001, the declining trend in 2001-2003 was reversed into a 34-per-cent increase by the end of 2009. There are differences among the Nordic countries in the main origins of the immigrants and in the entry categories. Immigration currently comprises both labour migration based on free movement among EU countries, and refugee immigration and family reunification.

Immigrants often belong to low-income groups. This limits their choice in the housing market. Moreover, they often lack good contacts with landlords, have difficulties in finding out about the housing market, and also sometimes experience discrimination. Thus, the large differences in regulation and support for different forms of tenure in the four countries is of major significance in the development of ethnic segregation. Immigrants' housing options depend on the affordability and accessibility of different forms of tenure, and on systems of allocation in particular.

Housing has traditionally occupied a central position in the Nordic model. The political ambition behind the socially oriented housing policy has been to provide good housing for all regardless of income, and to disrupt the link between income and housing outcomes. The means of achieving this goal have included a subsidised housing sector, a soft rent-control system, housing allowances, and in some countries a large public-housing sector. However, the respective housing policies have followed different paths since WWII.

Consequently, the distributions of immigrants in the various housing-tenure-types differ considerably in the four countries. Most immigrants in Denmark and Finland are in social housing, whereas a large proportion in Norway are homeowners. Denmark is the only country in which immigrants are underrepresented in pri-

vate rental accommodation and co-operatives. These differences are attributable to the regulation of the rental market in Denmark, the very small social-housing sector in Norway, and the special subsidies for homeowners especially in Norway, but also in Sweden and Finland.

Whereas housing policies and housing-market structures influence immigrant settlement patterns, immigration policies directly influence the amount and structure of immigration. Furthermore, immigration and integration policies in the Nordic countries are strongly interconnected. Successful integration and inclusion are understood as immigration regimes that do not threaten social cohesion or economic sustainability. The main objective of the integration policies in all four countries is to improve immigrants' participation in working life as a means of maintaining self-respect, economic independence and a sense of shared responsibility. Despite the many similarities in the respective policies, there also are clear differences. For example, the acquisition of citizenship differs in terms of both eligibility and tests and ceremonies. In relation to the resident population, Sweden and Norway both approve a higher number of citizenship applications per inhabitant than Finland and Denmark: in 2008, Sweden was on top in the EU 27, with Norway just behind, whereas both Finland and Denmark were below the EU average.

The political approaches to the explicit goals of integration procedures also differ among the four countries. Whereas Sweden and Norway have traditionally been strong supporters of multicultural policies, with the active recognition of various ethnic subgroups, Finland joined this policy trend rather late. Later reforms have moved Sweden towards "civic integration", with no recognition of ethnic sub-groups, whereas Denmark is moving towards "ethnic assimilation".

All four countries have developed some kind of education and labour-market-integration pro-

grammes for refugees and they all have refugee-distribution plans and programmes. Refugees are settled in municipalities according to an annually decided state-municipal placement agreement scheme. Some of the countries give refugees and asylum seekers little choice in where to live, and in many cases the host municipalities have no choice, either. According to various Swedish studies, the compulsory refugee-dispersal policy pursued from 1985-1994 was counterproductive in relation to labour-market integration. The Norwegian experience has been somewhat different, however. Our intention is to examine this question in other Nordic countries in subsequent studies.

Due to the active dispersal policies, a large majority of refugees are initially settled throughout the various regions in the Nordic countries, although the majority of them tend to relocate to cities in the south. The country reports show the concentrations of immigrants in the metropolitan regions, although concentration to the capital region varies in the different countries and immigrant categories. In Norway, the proportion of all immigrants, regardless of their background, increased in Oslo in the period 1970-2007, although there was a percentage decrease in the numbers of immigrants with a non-western background (Texmon and Brunborg 2009). With regard to ethnic groups, 82 per cent of Somali speakers in Finland are concentrated in the Helsinki metropolitan area, whereas only 41 per cent of the Russian-speaking population have settled there. In Sweden, the Stockholm County houses over 60 per cent of all immigrants born in Peru and Eritrea, 50 per cent or more of immigrants born in Turkey, Greece, Chile, Morocco and Ethiopia, but only around 10 per cent of immigrants born in Vietnam, Bosnia and other parts of the former Yugoslavia. These differences are connected to the migration period, the reasons for the migration, and the placement policies in force.

All the above features affect the local socio-spatial structures. Ethnic residential segregation is a hot political topic in all four countries, and especially in the larger cities. Poor immigrant households in Denmark, Finland and Sweden are concentrated not only in particular places and neighbourhoods but also in particular housing-market segments (social/public housing). Residential segregation and tenure coincide in Norway, too, but the pattern is different, given the small size of the public rental sector.

Each of the four country reports ends with a section describing the basic features of residential segregation in the respective capital region. Neighbourhoods and city districts heavily dominated by native residents are typical features in all four countries. Earlier research has focused on sorting processes from the perspective of ethnic minorities and their behaviour. Our aim in the subsequent subprojects is to give a more complete picture of the causalities related to segregation by investigating not only the housing careers of minorities, but also the migratory behaviour of the ethnic majority. Research conducted on the international level, and confirmed for Sweden (Andersson & Bråmås 2004; Bråmås 2006) has shown that phenomena such as white flight, white avoidance, and blocking strategies exercised by majority residents and institutions, have a profound impact on patterns of ethnic residential segregation.

The following chapters of this research report comprise four country cases followed by a common comparative assessment. Each country case is divided into six subsections, which contextualise the policy framework and immigration flows and settlement patterns that are hypothesised to shape and affect the processes of ethnic residential segregation in the Nordic countries. The country cases are written by the respective research teams, who are responsible for the content and the conclusions. Terje Wessel (welfare

in the Nordic countries), Hans Skifter Andersen (housing policies and outcomes), Saara Yousfi (the development of immigration), Susanne Sørholt (integration and settlement policies) and Roger Andersson (migration flows and settlement patterns) are the responsible authors for the comparative conclusions reported in Chapter 6.

Ethnic segregation - in social, economic and spatial terms - has significant societal, practical and policy relevance throughout Europe. There has been intense political debate in all four Nordic countries concerning immigration-related issues, such as refugee reception (dispersal) systems, citizenship and minority rights, the financial costs and benefits of immigration, and ethnic residential segregation. The role of welfare states and multicultural policies has also been addressed. This research report, and the four subsequent subprojects, will contribute to the contemporary political and theoretical debate on the causes, meanings and effects of ethnic residential segregation, and the links to the welfare, housing and immigration policies.

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Contextualising ethnic residential segregation in Sweden: welfare, housing and migration-related policies

*Roger Andersson, Lena Magnusson Turner and Emma Holmqvist
Institute for Housing and Urban Research, Uppsala University*

Country Report for Sweden

Contextualising ethnic residential segregation in Sweden: welfare, housing and migration-related policies

*Roger Andersson, Lena Magnusson Turner and Emma Holmqvist
Institute for Housing and Urban Research, Uppsala University*

1. The Swedish welfare system

In the welfare regime classification developed by Esping-Andersen (1990), Sweden is identified as a typical representative of a social democratic welfare state. This implies a strong public service sector distributing welfare goods to all families having needs, such as work, housing, day care, elderly care and so forth. Even free of charge education from elementary school to university is an important part of the Swedish welfare system. One of the ideological cornerstones of the Swedish welfare state is the idea of equality between different families despite demographic, socio-economic and ethnic characteristics as well as geographical location. Another concept used for the Swedish welfare policy is that it is comprehensive/universal, i.e. includes everybody in contrast to the delivery in so called residual welfare regimes.

Housing has traditionally been a core element of the Swedish welfare state, characterised historically by tenure neutrality and a 'unitary' rental system (Kemeny 1995). A fundamental part of the welfare is also the use of active labour market policies, and a social security system requiring high levels of employment. This obviously necessitates high levels of female employment.

1.1. Facts on the social security system

The social security system is mainly funded through payroll taxes. However, taxes in Sweden have decreased since 2007 when the Gov-

ernment introduced lower tax on income from work compared to income from pensions, unemployment benefits etc. This has had consequences for the welfare system. In general, the welfare system has become less generous during the last years for those in real need. It is also difficult for persons with a higher income than 18,700 SEK per month to receive assistance. And it is really problematic for those whose period of benefits has expired; many security systems (used when being sick, unemployed etc) now have a time limit.

1.1.1. Social insurance - health insurance and unemployment benefits

Social insurance is a key part of the Swedish welfare system and everyone that lives or works in Sweden is eligible to get benefits from it. It provides financial protection for families and children, for persons with a disability and in connection with illness, work injury and old age (Försäkringskassan 2010).

The total expenses for the social insurance system in 2008 (latest available information) was 460 Billion SEK. Just about 55 per cent are different forms of financial protections and pensions for elderly and survivors, 20 per cent comprise health insurance and another 10 per cent child allowances and parental benefits. Housing allowances is in monetary terms a tiny part of the social insurance system but of significant importance for households in need (see chapter 2). It is recurrently confirmed that housing allowances have a clear redistributive effect across households with different incomes (Magnusson Turner 2010).

Assistance to people in case of illness or disability is one component of the social insurance system. A person ill-stricken can receive ordinary sickness benefits for at most 364 days during a 450-day period at a level of 64 per cent of previous salary. If the illness last for more than seven days, the person will normally be expected to produce a medical certificate in order to continue to receive sick pay or sickness benefit. If the person's work capacity is still reduced after one year, it is possible to apply for extended sickness benefit. In case of a very serious illness, it is possible to apply for continued sickness benefits. There is no limit to the length of time that continued sickness benefits can be paid for (Försäkringskassan 2010).

The health insurance is under debate, mainly because ill-stricken persons perceive that they more or less are forced to work even if they have a medical certificate. The health insurance office has to take into consideration a person's working capacity and not the degree of illness, in relation to the entire labour market, not just in relation to the person's previous occupation or education. In a Budget Bill 2010 (Prop. 2009/10:1) the Government describes the relative generous health insurance system as detrimental for getting people back to work and as an obstacle for people to obtain rehabilitation. The Government also argues that the insurance system has been misused in regions with a high unemployment rate. People have been put onto early retirement schemes, instead of receiving active assistance to get a new job.

The unemployment insurance system is an independent insurance financed by membership fees and payroll taxes. To receive unemployment benefits, people have to be a member of an unemployment benefit fund. Which fund depends on education or occupation, and the amount of fee for participating depends on the average risk for unemployment in that particular sector. In 2008

the Swedish Government decided to increase the fee, which resulted in a severe loss of members for the unemployment benefit funds. To obtain support a person must have been a member of an unemployment benefit fund during 12 months and have been working at minimum 80 hours/month during 6 months during a 12 months period. This makes it complicated for young adults just having finished an education, as well as for newly arrived immigrants, to get support from an unemployment fund in case of unemployment. For them, the risk of poverty is severe.

The unemployment rate in Sweden has increased during the financial crisis, from 5.7 per cent in October 2008 to 8.1 per cent in 2009. The real problematic situation is for young adults (15-24 years) whose unemployment rate has increased from 18.5 per cent in October 2008 to 25.7 per cent one year later (SCB 2009). It is worth noticing that Statistics Sweden (SCB) follows ILO standard and counts students who are applying and prepared to take a job as unemployed.

Former social democratic governments have had political ambitions to create a high rate of employment combined with a generous welfare system. Some argue that the system was too generous and created disincentives for employers to hire workers and for individuals to accept employment offers. The present liberal/conservative Government has a clear focus on combating unemployment and the social security system has therefore become less generous. One argument presented by the Government is that they want to get rid of obstacles and incentives that reduce employment.

The Government states that a well-functioning labour market and an efficient labour market policy are important prerequisites for both economic growth and stable welfare. During the last year, and with reference to the global economic crisis, the Government has also put extra

resources into labour market policy measures. They emphasize that the unemployment insurance should function as readjustment insurance and that it is important to effectively bring together those seeking a job with those seeking labour (Government Offices of Sweden 2010). One way of achieving this is to facilitate labour force mobility, both locally and regionally. In that respect also the housing market can sometimes be a problem. It is an economic challenge for unemployed individuals to move from weak labour markets to strong labour markets, especially if they have to sell a single family house, since a weak labour market also implies a weak housing market. For those who are not able to solve the housing situation on the market where they can find a new job, long distance commuting may turn out to be the only solution.

1.1.2. Housing allowances

Housing allowances is another component of the social insurance system. Housing allowances were introduced in 1967-1968. There existed in fact some economic support for families with many children as early as in the 1930's. Families with children, lone parents, young adults (18-29 years) and elderly are the target groups for the contemporary housing allowance scheme. If someone qualifies for allowances depends on a combination of number of children, dwelling size (number of rooms), housing costs and income. However, housing allowances are predominantly given to families with children. In 2002, more than 80 per cent of all single parents received housing allowances (Åhren 2004). In order to be able to apply for housing allowance, a person must be living in Sweden and registered in the Population Register (RTB). As a rule, the person must also be registered and permanently be living in the accommodation for which the allowance is applied for. The rules for housing

allowances are set nationally.

Housing allowances are tenure neutral, and cover rent in rented dwellings and part of mortgage, part of heating, other utilities, site-lease rent and municipal real estate fees (only for owner occupation) in cooperative and owner occupation. Since 1997, the system has also become less generous. For example, the total mortgage is no longer included in the housing cost.

The amount payable depends on the size of household, income, housing costs and size of accommodation. The marginal effect is 20 per cent. The system is based on norms for different types of households and has constraints concerning dwelling space and housing costs.

Housing allowance is a preliminary payment and it is based on the expected income during the entire calendar year. The final allowance is not established until actual income for that year has been assessed for tax purposes. If the provisional allowance was too low, the household will receive a supplementary payment with interest. But if the provisional allowance was too high, the household will have to repay. As a consequence some people hesitate to apply for housing allowances; they are simply afraid they cannot afford to repay in case of having received a too high provisional allowance. From 2006 it is possible to get a new type of support for families with shared custody. Families with children may receive a contribution to cover housing costs; a separate grant for children living at home and an extra allowance for children who sometimes live at home (alternating between two parents after a divorce). These changes are signs of an adaptation to new family constellations.

In 2007 well over 10 per cent of all individuals in Sweden lived in households receiving housing allowances. Among those individuals living in households receiving housing allowances, groups in rented dwellings stick out. Well over 24 per cent of individuals in that tenure form

receive allowances compared to four per cent of individuals in owner occupation. And close to 60 per cent of lone parents and 35 per cent of pensioners in rented dwellings receive housing allowances. Lone parents in owner occupation also receive allowances to a greater extent than other type of households (Magnusson Turner 2010).

Housing allowances hardly ever cover the total housing costs. Instead housing allowances have been and continue to be regarded as a contribution to the household income in order to secure a decent level of housing (quantitatively and qualitatively). For all households receiving housing allowances, the allowances cover on average just over four per cent of the housing costs. The distribution among households and tenure form follows the same pattern as described above. Housing allowances are rare in owner occupation and go predominantly to lone parents and pensioners in that tenure form. However, in these households housing allowances cover a minor share of the housing cost. For lone parents and pensioners housing allowances have a substantial effect and cover 16.7 respectively 19.7 per cent of the housing costs (Magnusson Turner 2010).

1.2. Socioeconomic development in Sweden

1.2.1. Employment and unemployment

One feature characterising the Swedish welfare system is the occurrence of dual earner households. In an international comparison a very high percentage of Swedish women belong to the labour force. The employment rate in 2008 in age group 20-64 years was 80 per cent. Corresponding figures for men was 83 per cent and for women 77 per cent. However, not all women work full time.

In the 1970's the Swedish labour market was characterised by a high employment rate and a

low level of unemployment (Table 1). One explanation was the steady increase in female employment rates. In the 1980s, Sweden still had a high employment rate, to be followed in the early 1990's of a dramatic reduction in employment rates and a subsequent increase in unemployment rates. In only 18 months time during 1991 and 1992, more than ten per cent of all jobs were lost. In the 2000's the economy recovered and employment rates started to increase again, but they have not reached the levels of the 1980's. During the 2000s the unemployment rate has also varied at a comparatively high level. Halleröd and Larsson (2003) stress that Sweden has experienced a high economic growth, but still has a lower employment rate during the beginning of the new millennium compared to the 1980s. Their explanation is changing policy priorities; from combating inflation rather than unemployment.

Today labour market policy is a hot topic in Sweden. The liberal/conservative Government is an instigator of the flexicurity approach, with tax reforms, benefit reforms and promoting self-employment. Even if labour market policy has a longer history in Sweden than in many other countries, active inclusion is a word of honour in today's political rhetoric in Sweden.

1.2.2. Dependency ratio

Dependency ratio is an age-group related concept. It expresses the relation between the dependent part and the productive part of a population, i.e. those usually not in the labour force and those usually in the labour force. Statistics Sweden calculates the dependency ratio as a quota between the population in age groups 0-19 years and over 65 years, and the population in age group 20-64 years. Since 1970 the dependency ratio has varied around 70 to 75, which implies 70 to 75 not in the labour force per 100

Table 1. Employment and unemployment rate in Sweden, 1970 - 2009.

	1970	1975	1979 ³⁾	1985	1990	1995	2000	2005	2008	2009
Overall employment rate ¹⁾	72.3	77	79.2	80.3	83.1	73.8	77.1	73.9	75.7	73.5
Employment rate men ¹⁾	85.9	87.2	86.2	83.5	85.2	75.2	79.1	75.9	78.1	75.5
Employment rate women ¹⁾	58.3	66.5	72	76.9	81	72.4	74.9	71.8	73.2	71.4
Overall unemployment rate ¹⁾	1.1	1.3	1.7	2.4	1.4	6.2	3.8	7.8	6.1	8.4
Unemployment rate men ¹⁾	1.1	1.1	1.7	2.4	1.4	7	4.2	7.9	5.9	8.8
Unemployment rate women	1	1.4	1.7	2.3	1.3	5.4	3.4	7.6	6.4	8
Overall employment rate ²⁾						70.7	71.1	72.5	74.3	
Employment rate men ²⁾						71.6	72.6	74.4	76.7	
Employment rate women ²⁾						69.8	69.7	70.4	71.8	

1) Statistics Sweden; AKU 1970-2009 Statistic Sweden's database (2010-02-17). Age group 16-64 years. In 2005 it is a break in series.

2) Eurostat. Age group 15-64 years.

3) No information about employment and employment 1980 due to a labour market conflict in Sweden.

in the working-age population (Table 2). The prediction for the future is a dependency ration close to 90. This forecast is based on the prediction of increasing numbers of elderly from around year 2030.

Dependency burden is another out of several measures used to describe how much the working-age population needs to produce to support the entire population. There are different ways to calculate the dependency burden. Statistics Sweden calculates the dependency burden as the ratio between total population and employed individuals in age group 20-64 years. The dependency burden is expected to increase up to 2030, despite an assumption of increased labour force participation among foreign born persons, women and persons in age group 55-64 years. The increase is explained by an increased average length of life and an increased number of retired persons.

1.2.3. Income inequality and poverty

Sweden belongs to a group of OECD countries characterised by “very low” income disparities. According to OECD, Sweden had a Gini coefficient value in the mid-2000s of 0.234 compared to 0.311 for OECD-30 (OECD 2009).

Nevertheless, income disparities have increased in Sweden (see table 3). The recession in the Swedish economy 1992 to 1994 was severe but the overall economic standard improved every year from 1995 onwards. However, the gap between high and low income households has increased (SCB 2009). The share of households in Sweden with a disposable income below the norm for receiving cash social allowances decreased from the end of 1970s until the beginning of 1990s. Between 1990 and 1996 this trend was reversed but remains rather constant after 1996.

Table 2. Dependency burden and dependency quota in Sweden, 1970 -2009.

	1970	1975	1980	1985	1990	1995	2000	2005	2008 ²⁾	2009 ²⁾
Dependency burden ¹⁾			2.12	2.07	2.01	2.27	2.2	2.18	2.13	2.14
Dependency quota ³⁾	70.7	73.7	74.7	73.6	73.4	72.5	70.4	70	70.5	71

1) Statistics Sweden AKU 1980-2005.

2) Statistics Sweden, Prognosinstitutet 2008-2009.

3) Statistics Sweden, www.scb.se/BE0401.

Table 3. Measures of income dispersion in Sweden, 1980s - 2000s.

	Mid 1980s	Mid-1990s	Mid-2000s
Gini coefficient ¹⁾	0.197	0.211	0.234
Gini coefficient ²⁾	0.201	0.213	0.231
Interquintile share ratio (S80/S20) ¹⁾	2.7	2.9	3.3
Decile 1 ²⁾		4.4	4.2
Decile 10 ²⁾		18.8	19.9

1) Income year 1983, 1995 and 2004. OECD 2009

2) SCB 2009

The increase between 1991 and 1996 meant a doubling of the number of poor households.

Statistics Sweden elaborates with both different definitions of disposable income and ways of adjusting incomes for comparing households having different compositions. Most important is that Sweden includes capital gain in the calculation of disposable income. Including capital gains have had a significant effect on the Gini coefficient during the late 2000s. Part of the explanation is raising prices on housing and a positive trend on the stock market. For example, conversion of rented dwellings into cooperative dwellings in attractive locations has allowed households to make profit if they choose to sell and capitalize the value of the converted dwelling. However the profit is largely concentrated to households with the highest incomes (SCB 2009). According to SCB (2009) the Gini coefficient in 2007 with capital gains included was 0.307, and with capital gains excluded, 0.257.

If incomes are divided into deciles (equalised disposable income and capital gains excluded), polarization is evident; people in the poorest decile (1) get poorer and while those in the upper decile (10) see income gains. It is also evident from the interquintile share ratio (S80/S20) that income disparities have increased in Sweden, even if the ratio is moderate compared to OECD-30 (OECD 2009). In mid-2000s that ratio was 5.3 compared to 3.3 for Sweden.

1.2.4. Poverty levels and trends in Sweden

According to the poverty definition¹ stated by EU, 12 per cent of all individuals in Sweden in 2007 lived in households at risk of poverty (Eurostat 2009). However, this is the proportion after social transfers. Before social transfer the proportion is 28 per cent (Eurostat 2009). It is obvious that the social security system in Sweden has a strong effect on individuals' welfare and more so than in any other EU-country; the system clearly reduces the risk of poverty. The effect of the social security system is similar in the other Nordic welfare states. The effect is illustrated in figure one where countries in EU-27 along with Norway and Iceland, are listed according to the difference between at-risk-of-poverty rate before and after social transfers. If the social security system has a strong effect on reducing poverty in Northern Europe, the effect is the opposite in Southern Europe, in countries like Greece, Italy, and Spain. The social security system has also a limited effect in Eastern European countries.

Figure 1 provides a powerful characteristic of Esping-Andersen's (1990) well known typology

1 OECD scale: the share of persons with an equalised disposable income below the risk-of-poverty threshold, which is set at 50 % of the national median equalised disposable income (after social transfers).

1 EU scale: the share of persons with an equalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equalised disposable income (after social transfers).

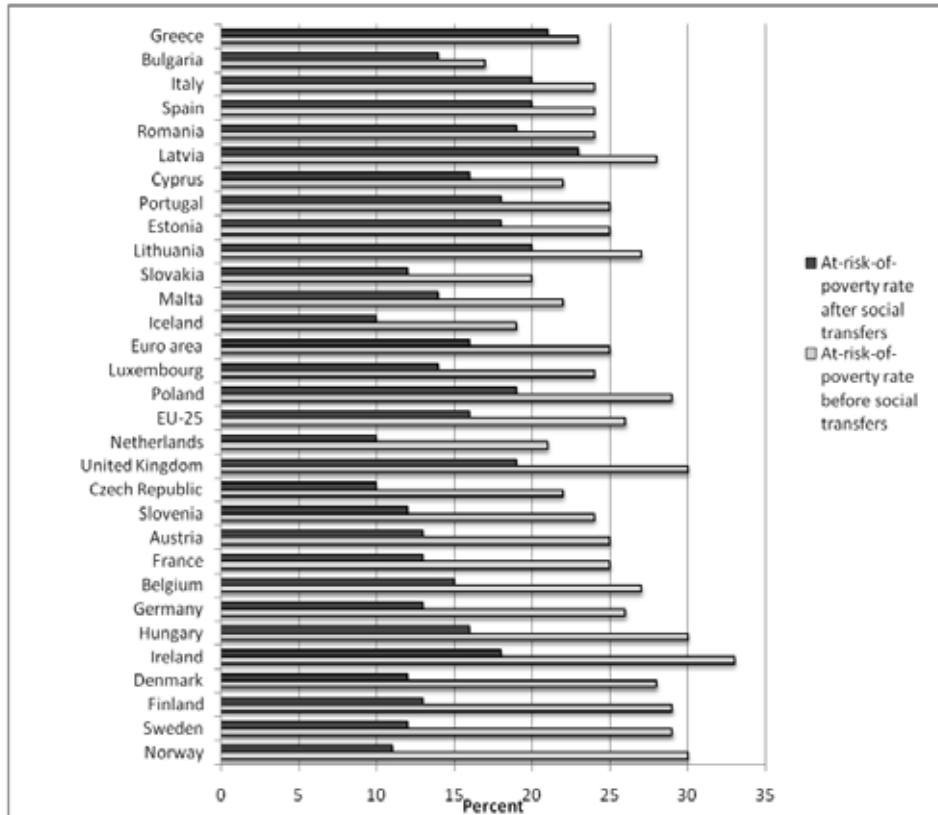


Figure 1. At-risk-of-poverty before and after social transfer in 2007. Eurostat, 2007.

of welfare regimes. Esping-Andersen's typology is an ideal-type categorisation focusing on labour market and tax/social security systems. Esping-Andersen distinguished between:

Liberal regimes: characterised by a deregulated labour market and mean tested benefits paid at low levels.

Corporatist regimes: characterised by a regulated labour market and an earnings related social insurance system.

Social democratic regimes: characterised by a strong devotion to universalism in social and public service. The costs of the benefits require a very high level of employment.

Another two regimes have been added to Esping-Andersen's typology (Stephens et al, 2010):

Mediterranean (rudimentary) regime: characterised by combining a weak social security

with strong market regulation.

Socialist and post-socialist regime: characterised by the workplace in the state-enterprise system as a locus of much welfare.

The risk of poverty in Sweden decreased during the 1970s and the 1980s. But, by the end of the 1980s, the trend was reversed. Since the beginning of 2000s the risk of poverty has been stable around 10 to 12 per cent (Table 4).

It is obvious that one of the key factors explaining this development is the overall employment rate. During longer periods of high employment levels, trade unions are strong, and tax revenues make it also possible for the public sector to uphold fairly high ambitions in different publicly funded social systems. When the reverse happens, more people will be affected by unemployment and by cuts in public expenditures.

Table 4. Relative poverty rate, Sweden 1967 - 2005. LIS Key Figures (selected on 30 April 2010).

	1967	1975	1981	1987	1992	1995	2000	2005
OECD-scale¹⁾	10.6	6.5	5.3	7.5	6.7	6.6	6.6	5.6
EU-scale²⁾	15.9	12.5	9.1	12.5	12.1	10	12.3	12

The risk of poverty according to the EU definition varies between different household groups (Figure 2). Lone parents and single households have the highest risk of poverty in Sweden. Among single households, especially single women have a high risk of poverty. Previous research indicates that an increased risk of poverty is a reality primarily for elderly women with a low pension and for young adults (Magnusson and Andersson 2005). There is also a difference between female headed single parent households and male headed households. The risk of poverty is almost 50 per cent higher among female headed compared to male headed households.

However, this difference disappears when the children grow older (Geosweden 2009). When discussing poverty risk it is important to take into account possibilities to be on parental leave, child allowances, and also the right for all children above four years to get a place in a day care centre. That makes it possible to continue to work after becoming a parent. Nonetheless, the risk of poverty increases with number of children in the household. Having several children is unavoidably an economic burden, and the possibilities to work full time are also reduced, at least for some time.

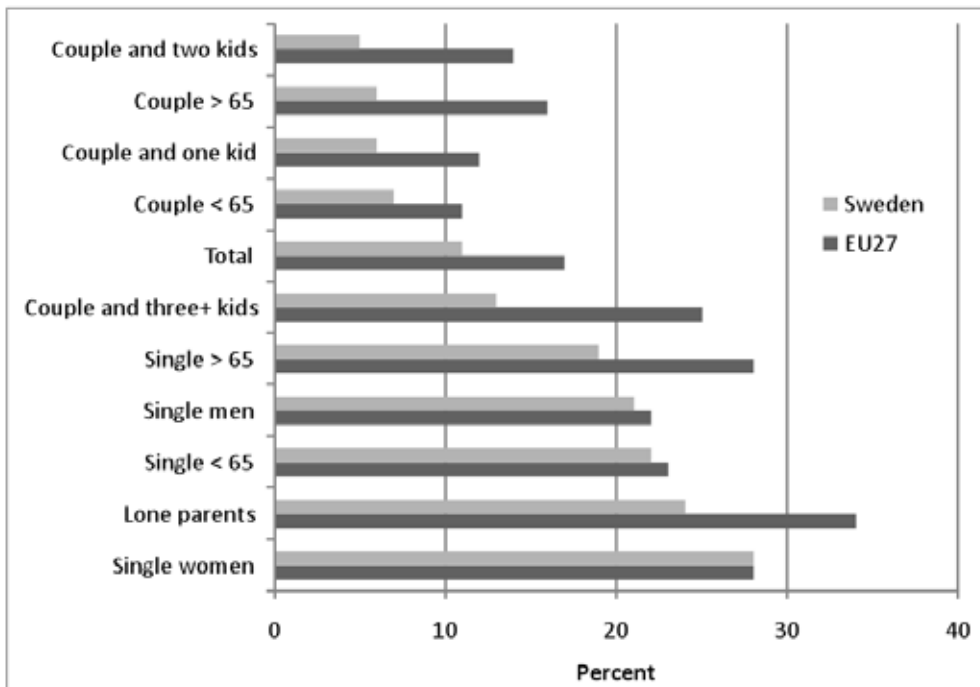


Figure 2. Risk of poverty among different household types in 2008, per cent (Eurostat 2009).

2. The Swedish housing market

2.1. The composition of the Swedish housing stock

Sweden has about 4.5 million dwellings, i.e. 486 dwellings per 1,000 inhabitants (Bostads- och byggnadsstatistisk Årsbok 2010). The housing stock is relatively evenly distributed over multifamily housing (55 per cent) and single family housing (45 per cent). There are three dominant tenure forms; owner occupation, cooperative housing and (public and private) rental housing. Sweden does not have social housing.

The share of owner occupied (single family) housing in Sweden is about 41 per cent, cooperative dwellings 20 per cent, private rented dwellings 17 per cent and public rented dwellings 22 per cent (Table 5). The proportion is however different if we calculate the share of the population living in different tenure forms. Due to larger average household size in home ownership, more than half the population reside in this tenure form.

Tenure form in Sweden is highly correlated with housing type. Renting is almost exclusively restricted to dwellings in multifamily houses; only 13 per cent of those living in rental dwellings are found in single family houses (Bergen-

stråhle 2006). Dwellings in multifamily houses are rented either from a municipal housing company or from a private landlord. Tenant owners in housing co-operatives own collectively their flats, but have an exclusive right to live in one of the dwellings. Most co-operative dwellings are in multifamily houses, only 15 per cent of those living in cooperatives are found in single housing (Bergenstråhle 2006). Owner occupied dwellings have until now been single family houses. But since May 2009 owner occupied dwellings in multifamily houses is a new tenure form in Sweden, but first and foremost in new construction.

The trend in Sweden today is towards a decreasing proportion of rental dwellings and increasing shares of tenant-owned (cooperative) dwellings (table 5). This is caused both by the composition of new constructions and by conversion of rented dwellings into tenant-owned. Tenure conversions have mainly taken part in the Stockholm metropolitan area and have been intensively discussed and criticised in the public and political debate. Without doubt, they have contributed to a residualization of the public housing stock and thus also to the segregation as well segmentation processes (Magnusson and Turner 2008).

The overview here presents the general trend, but the structure of the housing market varies

Table 5. Tenure type in Sweden in 1975 - 1980, per cent (Statistics Sweden).

Year	Owner occupied	Cooperative	Public rented	Private rented	Total
1960	34	9	14	43	100
1970	34	13	23	30	100
1975 ¹⁾	40	14	24	22	100
1980 ¹⁾	42	16	23	19	100
1985 ¹⁾	43	16	24	17	100
1990 ¹⁾	43	17	23	16	100
2002	42	19	22	17	100
2006 ²⁾	41	20	22	17	100

1) Statistic Sweden Census 1975, 1980, 1985 and 1990,

2) Statistic Sweden, Estimated housing stock 2006-12-31

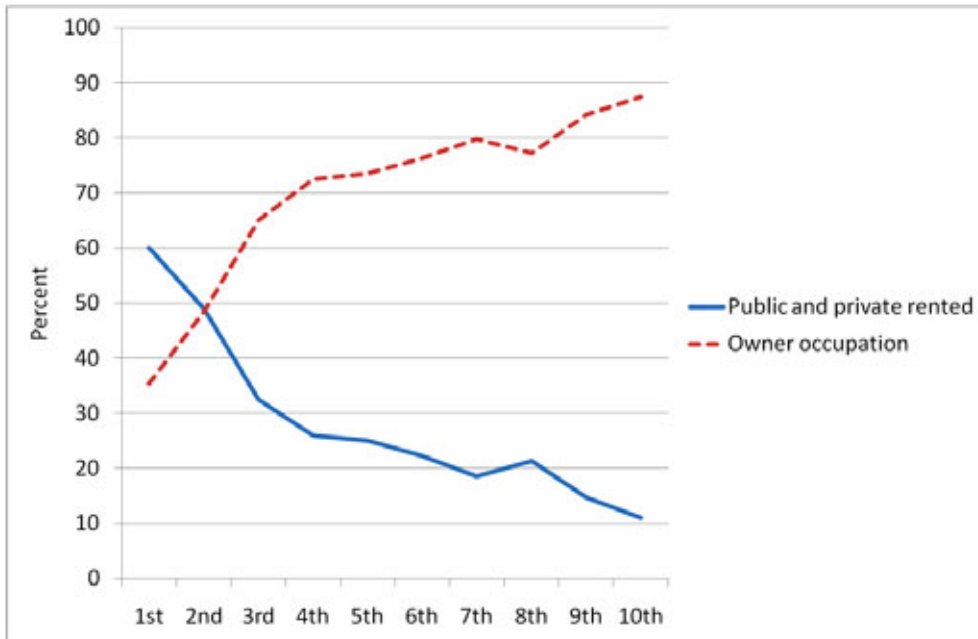


Figure 3. Income deciles in different tenures (Geosweden 2008).

greatly among the 290 Swedish municipalities. For example: the share of public rental housing is slightly less than 16 per cent on average but vary between type of municipalities - highest in metropolitan areas and larger cities, and lowest in rural municipalities. A low proportion of public housing is normally associated with a high proportion of owned single family houses, i.e. a housing market dominated by owner occupation. A high proportion of public housing implies on the other hand a more mixed housing market with owner occupation and co-operative dwellings, competing with a sometimes dominating rental sector, which is evident in metropolitan areas and in some of the larger cities.

2.2. Residents' distribution over tenure

The Swedish housing market is segmented, as different household types are unevenly distributed over different tenures. Figure 3 show that

the higher income the less probability to reside in the rental sector. There is also a sorting on the housing market according to demographic and ethnic variables, see table 6.

2.3. Housing standard in Sweden

By the end of 1990 most of the housing stock had been rehabilitated to a modern standard. After that the focal point in data collection by Statistic Sweden has been on changes in the size of the housing stock and distribution of dwellings of different size, rather than on modernisation.

The housing standard in Sweden is in general considered as good. On the other hand, overcrowding has once again become a problem, especially in tight housing markets. For some households this is a preferred choice. For some households it might be the case that residing in an inner city area is more important than having enough space in relation to a given norm. But for many other households overcrowding is an

Table 6. Share of households in different types of tenure 1980/81 - 2007, Sweden.

<i>a) Rented dwellings</i>							
Household type	1980-81	1984-85	1990-91	1994-95	2000-01	2004-05	2007(T)
All (age 16-84)	37	34	34	34	33	31	30
Single	49	47	46	48	46	45	41
Single parent	61	58	62	63	58	51	53
Couple	36	33	31	27	26	24	24
Couple with child/children	25	19	21	21	21	21	18
Born abroad (both parents born abroad)	57	50	51	52	51	45	46
Born in Sweden (both parents born in Sweden)	34	32	32	31	30	29	27
<i>b) Cooperative dwellings</i>							
	1980-81	1984-85	1990-91	1994-95	2000-01	2004-05	2007(T)
All (age 16-84)	12	13	14	14	15	16	17
Single	12	14	18	17	19	19	20
Single parent	17	18	13	15	17	23	19
Couple	14	15	14	15	15	17	18
Couple with child/children	8	8	9	11	10	10	10
Born abroad (both parents born abroad)	11	16	15	15	16	17	16
Born in Sweden (both parents born in Sweden)	12	12	14	14	15	16	16
<i>c) Owner occupation</i>							
	1980-81	1984-85	1990-91	1994-95	2000-01	2004-05	2007(T)
All (age 16-84)	50	52	52	51	50	50	52
Single	36	37	36	34	31	31	34
Single parent	22	25	25	22	24	24	27
Couple	49	52	56	57	57	58	58
Couple with child/children	67	73	70	68	68	69	71
Born abroad (both parents born abroad)	31	33	33	31	29	33	36
Born in Sweden (both parents born in Sweden)	53	54	55	54	53	54	56

inexorably reality, in particular for recently arrived refugees.

Sweden operates with two official norms for overcrowding. Norm 2 states that a household is overcrowded if there are more than two persons per room, kitchen and living room not included. Norm 3 states that a household is overcrowded if there are more than one person per room, kitchen and living room not included. Norm 3 also states that a couple can share bedroom but each child shall have an own bedroom (Table 7).

Overcrowding has been analysed in a re-

cently published research report from the project *Study on housing and exclusion: welfare policies, housing provision and labour market*, supported by the European Community Programme for Employment and Social Solidarity (2007-2013). The project examines the relationship between welfare regimes and housing systems in six countries representing different regimes: Germany, Hungary, the Netherlands, Portugal, Sweden and the UK. One issue is the impact of poverty and housing policy on housing outcomes, and another issue the impact of employment status on

Table 7. Overcrowding in Sweden, 1980/1981 - 2007. BHU, various years.

	Year							
	1980-1981	1984-1985	1990-1991	1994-1995	2000-2001	2004-2005	2006	2007
Norm 2	3.7	2.3	2.2	2.1	2.5	2.6	1.7	2.6
Norm 3	19.6	15.4	14.2	15.3	14.4	14.8	13.1	14.2

housing outcomes. Overcrowding is one aspect of housing outcome. The share of individuals living in overcrowded accommodation in Sweden in 2007 was 21.5 per cent in public and private rented dwellings but only 3.4 in owner occupation. Overcrowding is of rare occurrence in owner occupation, except for lone parents and singles in working age.

Despite different objective norms for overcrowding reported in the EU-project (defined by Eurostat) and in the present study it is worth noticing an evident overcrowding gap between poor and not poor households. Overcrowding is almost four times as frequent among poor households compared to not poor households. That ratio is highest in the Netherlands and in Sweden and lowest in Hungary and Portugal.

A more general description of housing standard among poor and not poor people states that Sweden and the Netherlands have the lowest level of failure on the physical housing quality indicator, but the Netherlands records very low objective overcrowding rates and Sweden records a rather high figure. The 'failure' rate of poor people on housing standard indicators is higher than among the population as a whole, but the overall pattern compared to other countries is similar to the population as a whole. Again this suggests that the housing standard of the population as a whole have a strong influence on the housing standards of the poor. However, Sweden and the Netherlands do perform poorly on affordability. They record the greatest increases in poverty caused by housing expenditure and the Netherlands has a notably high level of poor

people with a housing expenditure burden exceeding 40 per cent of net income. Among the poor, Sweden performs poorly on objective overcrowding but performs well on physical quality; the Netherlands retains its good performance on objective overcrowding and poor performance on neighbourhood quality. The two countries have the lowest dissatisfaction rates among the poor as they do among the population as a whole. From a welfare perspective it seems to be a trade off between affordability on the one hand and overcrowding and regular standard on the other (Stephens et al. 2010).

2.4. Access to different housing segments

On average, Swedish households spend about 23 per cent of their total expenses on housing. Home owners spend less on housing than households in the rental sector (Andersson et al. 2003: 24). According to Eurostat data, nine per cent of Swedish households spend more than 50 per cent of their disposable income on housing and 26 per cent of the households spend between 25 and 49 per cent (Normann et al. 2009: 172-174). To access owner occupation or a cooperative dwelling, a cash input is needed, and most people also need a housing loan. To be granted a housing loan you usually need to have a stable job. The market price varies greatly regionally and so does the amount spent on housing.

Thus the rental market is the most accessible segment of the Swedish housing market; no cash input is needed to get access and both the

private and public rental housing sector are open to all kinds of households and neither have constraints in terms of upper income levels. Sweden still has a soft rent regulation system that aims at equalizing rents between houses built in different time periods. The public rental stock has also been rent leading, also for the private rental stock. The geographical location has only played a minor role in rent setting. There are intense discussions regarding this system and many –especially private owners of rental housing– argue for introducing market rents. This would of course affect accessibility of rental housing at least in some locations.²

Although the rental sector is considered to be an open sector, there are no common rules on how vacant rental dwellings are distributed. Only a few municipalities have a housing mediation system, and allocation is sometimes based on queuing time (as in the Stockholm metropolitan Housing service) and sometimes on other more vague or subjective criteria, where the “right apartment is to be matched with the right tenant” (as in Gothenburg’s metropolitan Housing service). Who might be the right tenant and who decides upon this is not transparent. The owners of private rental are not obligated to use the Housing service when allocating vacant apartments, and thus contacts and recommendations are important in order to access private rental housing. The landlords also have the right to set up specified criteria on who will be eligible for a vacant apartment. It is common to have criteria regarding income, for example that a household income must be based on work and not social allowances or student loans. It is also common that the proportion between household income and rent level is specified; often the yearly income is requested to be three or four times yearly

rent payments. Some also have regulations concerning a tenant’s number of children or concerning the total number of household members. Although the criteria of course cannot be legally discriminatory there is evidence that the Swedish housing market indeed has such problems (see for example Ahmed and Hammarstedt 2008; DO 2008:3, Bråmås 2007; Diskriminering...2010).

The new construction of houses also impacts on accessibility. Both the volume of new construction and the tenure and housing type focus have varied greatly over the years. In the 1960s about 60,000 multifamily dwellings were produced every year and about 20,000 single housing dwellings per year. In the mid 1980s about 20,000 of both multifamily and single family dwellings were produced each year. In the 1990s the volume of new construction dropped and less than 10,000 of both single and multifamily dwellings were produced annually. This production crisis has proven difficult to recover from and the volume has continued to be extremely low up to this date. In that perspective, 2007 can be considered as a “high production” year but still only 35,000 new dwellings were completed. The variation in production levels and not least the historically low level of new construction have of course caused problems, such as excessive demand, especially in metropolitan regions, causing production costs and property prices to increase far beyond the rate of inflation. The uneven distribution of tenure forms in new construction has also had its impacts on the housing stock. As mentioned earlier, cooperatives have increased their share of the housing market while rental housing has decreased, especially in metropolitan areas (Statistics Sweden 2010; SCB 2009).

2 The conservative government put forward a bill in March 2010 that was accepted by parliament. A big step towards market rents has thereby been taken, see prop. 2009/10:185.

2.5. Policies to increase accessibility, affordability and creditworthiness

The field of housing policy has traditionally been an area characterized by state interventions and subsidies. Housing policy has definitely been a key part of the welfare state. The foundation has been interest subsidies for new construction, housing allowances, rent regulation and a public housing sector that is also rent setting. Since the 1980s, when the housing (and credit) market was deregulated, a lot of changes have been made in housing policies. The housing policy area has developed from mainly focusing on producers to focusing on consumers, and policies have also become less general. Almost all housing subsidies to new construction are abolished, and this is not compensated by increased allowances. Housing expenditure has thus increased and the volume of new construction has decreased (Turner and Whitehead 2002). The amount spent on housing allowances has decreased and the public housing companies are not favoured anymore; they have to act on the same terms as the private rental sector. As discussed above, the rent setting role of public housing is also questioned (Prop. 2009/10:185). Since the late 1990s, the state budget for housing actually gives a net income to the State instead of being a substantial expenditure item (Magnusson Turner 2010: 24).

Despite less generous housing allowances, they continue to be the most influential policy on affordability, partly because other subsidies have been totally abolished. Housing allowances also affects accessibility as they are tenure neutral. Housing allowances are predominantly targeting single households and households with children. Housing allowances have however undergone major changes and their share of GDP has decreased; in 1990 expenditures for allowances as per centage of GDP were 0.66 and in 2004 they were down to 0.57 (Åhrén 2007: 215). Enström

Öst (2010: 12) has shown that a reform in housing allowances in 1997, which imposed tougher constraints regarding floor space, decreased the number of recipients by 50 per cent. The reform also increased the rate of overcrowding among single parents.

Taxation also influences the housing market. Despite the fact that the goal has been to uphold tenure neutrality, this has been more on a rhetorical level than something put into practice. Only home owners are for example allowed to do deduct interest payments. Some stakeholders assert that the taxation system indeed favours' home owners. Differences in taxation on different tenures are seen as one reason for the low production of rental housing during the two last decades (Fastighetsägarna, Hyresgästföreningen, SABO 2010). Both transactions of properties and the use of properties are subject to taxation. The property tax was 1.3 per cent of GDP in 1999 but this tax was abolished by the liberal government in 2008. Instead they introduced a municipal fee with a maximum ceiling, (at 600 SEK). This tax policy change lowered the tax expenditure for households with houses having a high rateable value, and it reduced revenues for the state (Baunkjær 2004: 155-178; Över... 2010). In order to finance this change the capital gains tax has been increased and the right to roll over the tax from gains in a new house is reduced and also imputed with an interest rate.

The rather unique Swedish model of public housing and soft rent regulation on all rental housing is an important feature influencing both accessibility and affordability. All rents in Sweden are set in negotiations between the tenants (tenant organizations) and the property owners. The system is called Bruksvärdessystemet (the use value system) and aims at achieving market equilibrium rents, thus even out effects of excessive demand and housing shortage while keeping rents low and stable (Turner and Whitehead

2002; Bengtsson and Rothstein 1997). The rent mirrors several values and thus not only (geographical) attractiveness on the market. The rent level for public housing is the same as for private rental. In June 2010 the sitting government voted in favour of a proposition (Prop. 2009/10:185) that will change the rent setting system. The municipal owned public housing companies are not to be rent leading and the new system will be more in line with market rent.

Public housing companies have also been key actors in implementing housing policies, as they are politically driven. Due to the fact that public housing actors now compete on the same terms as private actors and also because some municipalities have sold out the entire public housing stock, their influence tends to decrease in contemporary housing policy debates.

When the liberal government came to power in 2006 they introduced two new, consumer oriented, subsidies that would influence credit-worthiness. One is called *Kreditgarantier för förstagångsköpare* (investment support for first time buyers) and the other *Hysesgarantier* (rent guarantees). However, these subsidies have almost not been used at all. From the introduction of rent guarantees July 1st 2007 until the end of 2008 only 127 households had obtained a firsthand contract on a rental apartment as a consequence of the rent guarantee system (*Kreditgarantier...2009*).

2.6. Housing outcomes

According to an OECD index, Sweden is one of the most segregated countries in Europe when it comes to ethnic segregation (DO 2008: 3). It is however important to say that Sweden like many other European countries does not have any large mono-ethnic clusters of immigrants but rather Swedish mono-ethnic clusters. It has been argued that areas dominated by immigrants should

be called Swedish-scarce rather than immigrant-dense. The reason is that ethnic residential segregation to a large extent is caused by the majority Swedes settlement decisions. (Andersson 1998; Andersson and Molina 2003; Bråmås 2006).

Table 8 highlights the overall distribution of Sweden- and foreign-born across neighbourhoods with different immigrant densities. In 2006, 144 neighbourhoods (defined as SAMS areas) in Sweden had a majority of foreign-born residents. Eleven years earlier (1995), the number was 58. While in 1995, 6.7 per cent of all foreign-born lived in this type of environment, the proportion had increased to 10.6 per cent in 2006. The number of foreign-born in this category increased by 61,000 over this period, so that 123,000 first generation immigrants lived in high immigrant concentration areas in 2006. This means that 25 per cent of the expansion of foreign-born in the country fell into high immigrant dense areas. If we add also the expansion of the 40 to 50 per cent neighbourhood category, which grew from 80 to 133 areas, resulting in a net increase of 42,700 immigrants, it is clear that immigrants over time have come to live in much higher immigrant densities than they did only a decade ago. This is of course expected in the sense that the overall increase in the number of foreign-born in the country at large by sheer logic means that neighbourhoods will get more immigrant-dense.

Also Swedes are affected by this but to a much lesser degree. The proportion of Swedes in high immigrant concentrations (above 50 per cent foreign-born) almost doubled 1995 to 2006 (most of these are second generation immigrants, i.e. children of two foreign-born parents), but there are nevertheless the case that in 2008, only 1.1 per cent of all Sweden-born lived in these neighbourhoods. If we sum up the three neighbourhood categories that have highest share of foreign-born (30 to 100 per cent), we find that

Table 8. The overall distribution of Sweden- and foreign-born residents over neighbourhoods having different proportions of immigrants, 2006 (Andersson 2008).

% Foreign-born in neighbourhood	Number of n'hoods (SAMS)	Born in Sweden (N)	Born abroad (N)	Born in Sweden (%)	Foreign- born (%)	Diff. (N) 1995 to 2006 Foreign-born
50 or more	144	91.000	123.000	1.1	10.6	61.000
40 to 50	133	114.000	92.700	1.4	7.9	42.700
30 to 40	248	214.000	113.000	2.7	9.7	46.000
20 to 30	529	547.000	173.000	6.9	14.8	46.000
10 to 20	2.039	2.347.000	371.000	29.6	31.8	52.000
5 to 10	3.287	2.977.000	233.000	37.6	19.9	19.000
0 to 5	2.595	1.636.000	63.000	20.6	5.3	-26.000
Total	8.975	7.926.000	1.169.000	100.0	100.0	240.000

5.2 per cent of all Swedish-born reside in such a neighbourhood while 28.2 per cent of all foreign-born live there. Eleven years earlier the corresponding figures were 3.0 and 19.3.

Almost 60 per cent of native Swedes live in neighbourhoods where the vast majority (90 per cent or more) of the nearby population is also Swedish. The immigrant dense neighbourhoods almost always comprise many different nationalities; sometimes more than 100 nationalities are represented among the residents. There are also signs of ethnic hierarchies in the sense that immigrants from Africa and Western Asia and other “visible minorities” are much more likely to live in immigrant dense areas compared to immigrants from any of the Nordic or EU countries (SCB 2008: 12, 56). Immigrant dense areas are often located geographically near the urban fringe, where a large part of the less attractive large scale housing was built within the Million homes program (Andersson et al. 2003). We will

return to the segregation issue in chapter 4 and 5.

Residential segregation is of course related to segmentation, i.e. the uneven distribution of tenure forms across demographic, socio-economic and ethnic categories. The segmentation pattern according family type (see table 9) is to a large extent explained by the close correlation between housing type and tenure. As owner occupation is only found in single housing and because larger dwellings are found in single housing, owner occupation is the preferred tenure for most families with children and for couples, while single parents and single households to a less degree live in home ownership.

There is also a clearly marked segmentation according to ethnicity. BråmÅ (2006) has shown that residents of Swedish background have 80 per cent higher probability to live in a single house than residents born in Asia or Northern Africa. Table 10 shows the segmentation pattern in 2008 based on country background. It

Table 9. Segmentation according to family type, 2008, per cent (Geosweden 2008).

Tenure form	Marrided/partner without children	Married w. children	Single parents	Single households	Total
Home ownership	69	73	40	27	53
Cooperative	14	12	18	26	18
Public rental	9	8	22	22	14
Private rental	8	8	20	24	15
Total	100	100	100	100	100

Table 10. Tenure segmentation³ according to country background, 2008, per cent (Geosweden 2008).

Country of birth	Home ownership	Coop. housing	Public rental	Private rental	Other forms	Total
Sweden	59	16	12	13	0	100
Rest of Nordic countries	47	24	15	13	1	100
Rest of Western European countries	44	21	17	18	1	100
Eastern European	28	21	30	22	0	100
Sub-Saharan Africa	9	10	58	23	0	100
Western Asia incl Turkey and N Africa	14	14	46	26	0	100
Eastern Asia	35	21	23	22	0	100
Latin America incl Central Am. & Mexico	23	21	32	23	0	100
North America, Australia, New Zealand	47	24	11	17	0	100
Unknown	21	17	40	22	1	100
Total	55	17	14	14	0	100

3 Unfortunately, when the population register of 2008 is matched with the real estate and property register, 554,000 individuals (6%) do not match. The table is therefore based on 8.7 Million people. Immigrants are slightly over-represented (7.8% lack information on tenure), but this does not seriously alter the overall picture emerging from this table.

is clear that home ownership is more common among those with Swedish or a western country background. One category -sub-Saharan Africa- has a very low ownership level and a majority of these residents are found in public housing. Also close to every second person from Western Asia, Turkey and Northern Africa resides in public housing.

Tenure type and housing type, as well as housing type and dwelling size, are strongly connected in Sweden. Many cities have -contrary to the general aim of housing mix- reinforced segregation by allowing new construction to form rather homogeneous neighbourhoods and housing estates; they too often consist of the same

housing type and/or tenure. Hence, it is not surprising that segmentation and segregation patterns interact and overlap. To give one example: about 85 per cent of all single housing units have at least four rooms while only 24 per cent of the cooperatives and 16 per cent of rental housing consist of dwellings with four or more rooms (Bergenstråhle 2006: 12).

Table 11 summarises the remaining policies influencing the Swedish housing market in the 21st millennium. Important to remark is that as the rent setting system for the rental stock is under construction the current rent control will probably become much weaker or even abolished.

Table 11. Summary of remaining housing policies.

	Public housing	Private renting	Co-operatives etc	Owner-occupied
Individual (demand) support	yes	yes	yes	yes
Supply support	no	no	no	no
Tax support	no	no	yes	yes
Rent/price control	yes	yes	no	no
Regulation of access	no	no	(yes)	no
Supported finance	no	no	no	no

(yes) means partly

3. Immigration flows, immigration policies and practices in Sweden

3.1. The longer view

The proportion foreign-born is high in Sweden, 14.3 per cent. The other Nordic countries have lower shares; Norway 9 per cent, Iceland 8 per cent, Denmark 7 per cent and Finland 2 per cent. Few industrialized countries reach the Swedish level. Some of the well-known immigration countries like France, The Netherlands and the UK have a lower share of foreign-born. The United States has approximately the same share as Sweden (13 per cent in 2008). However, well into the 1940s, Sweden like the rest of the Nordic region was one of Europe's ethnically most homogenous countries. Other European countries, in particular in Central and Eastern Europe, had until then been much more affected by conflicts due to mass migration of people (Widgren 1980: 9) Some 'elite immigration' occurred during medieval times and later, for example merchants from Germany (12th-14th century), businessmen and craftsmen from Scotland, the Netherlands and France (17th century), Walloonian blacksmiths from southern Belgium (17th century). Also the Savolax Finns, forest-farmers who settled in sparsely populated areas close to the Norwegian border, should be mentioned as a category that settled early in Sweden (during the 16th and 17th century). From 1780, also some Jews were entitled to settle in Sweden, and by the end of the 19th century they had increased in numbers to around 1,000. Roughly speaking, about one per mill of Sweden's population in 1880 had a non-Swedish citizenship.

The period 1800-1930 was marked by a substantial emigration from Sweden. In total, some 1.3 million people left the country and most of

them settled in the United States. In 1910, three of the world's top 10 Swedish-speaking cities were found in the U.S.: New York, Chicago, Minneapolis (SNA Population). When the U.S. immigration policy changed during the 1920s, Swedish net emigration gradually shifted towards immigration surplus. This surplus initially consisted of returning Swedish-Americans but soon thereafter -connected to WWII developments- Sweden became a more permanent net-receiver of international migrants. Widgren (1980) points out three basic reasons for this shift. First of all, Widgren mentions reasons connected to foreign policy. Sweden had not taken part in the war and 'had a moral obligation' to keep its borders open for refugees from the neighbouring countries (all of them occupied and/or involved in the war). Some 30,000 refugees from Estonia, Latvia and Lithuania came to Sweden in 1943-1945, as did about 60,000 from Denmark and Norway, and 70,000 children from Finland. Somewhat later, the so-called Bernadotte action resulted in an influx of about 34,000 refugees from the continent (many from concentration camps). Many of the war refugees returned home already in the summer of 1945, or they moved on to the U.S. and other countries after the war, but a large number remained in Sweden.

Secondly, Widgren points out a 'population policy' factor. During the 1930s, birth rates in Sweden had dropped to a very low level, resulting in a changing age structure. As manufacturing industry was left unaffected by the war, demand for Swedish goods was at a very high level after the war. Despite the war refugees, despite a rapid increase in female labour market participation rates, and despite a rapid rationalisation of production methods in the rural sectors, leading to urbanisation, the industry faced growing labour shortage (Widgren 1980: 12).

The third factor, closely related to the second one, was of an economic nature. Unemployment

had dropped to about 2 per cent after the war and the demand for Swedish goods (primarily investment goods like machinery) increased rapidly. The firms and the employers' organisations identified labour import as the only possible solution if inflation should be controlled and economic growth should be sustained. Immigration started and the most important instrument was the step-by-step introduction of a free movement space within the Nordic region from 1946 to 1954. This especially resulted in increasing mobility between Finland and Sweden. It is estimated that about 60 per cent of all intra-Nordic migrations that took place between 1954 and 1980 (about one million registered moves) were done between Finland and Sweden (Widgren 1980: 12). At the same time, immigration from non-Nordic sources also increased. In 1947, a special labour market commission was set up by Government and it immediately started to recruit workers in Italy, Hungary and Austria. In the 1950s, recruitments were made also in West Germany, the Netherlands, Italy, Austria, Belgium and Greece. However, numbers were rather small and only some 5 per cent of the total influx in the 1950s came from non-Nordic countries (12,000 out of 258,000). But it is important to point out that this non-Nordic immigration is the starting point for the modern history of Swedish immigration policy. At the time, very few thought about the potential consequences of the immigration for the immigrants, their families, or for Swedish society in general. Sweden had immigration but no immigrant policy. It was not until the early 1960s that Swedish population forecasts took immigration into account. By then, the country had had an immigration surplus for 30 years with a total surplus of 279,000 people (39,000 in the 1930s, 134,000 in the 1940s, 106,000 in the 1950s) (Widgren 1980: 13.).

3.2. Labour market immigration

During the second phase of post-war immigration to Sweden, commencing in the mid-1960s and ending in 1973, the number of immigrants increased and the 'immigrant issue' became more widely discussed. A public inquiry argued in 1965 that Sweden should commence a more active 'guest worker' strategy. It forecasted scarcity of labour in Europe. However, in the very same year many Yugoslavs and Turks arrived in Trelleborg in southern Sweden, and the country also went rapidly into an economic recession. Together this brought with it a reaction from the trade unions, which demanded a regulated labour immigration policy. The Social Democratic government introduced such regulations in March 1967, and thereafter all non-Nordic immigrants needed a work permit, a specific job and accommodation before entering Sweden (SOU 1982/49). This meant that permits were only granted when the country was in need of that particular type of foreign labour. If there were unemployed persons in Sweden capable of performing the job in question, no permit was granted. But the following groups were exempt from labour market checks:

- Nordic citizens, who since 1951 had enjoyed the right to settle and work wherever they liked in the Nordic area without special permission of any kind
- Refugees
- Close relatives wishing to be united or reunited with their families in Sweden.

Even if the 1967 decision made non-Nordic immigration more regulated, the government continued to favour collective labour recruitment abroad. Agreements were signed with Yugoslavia in 1966 and with Turkey in 1967 (SOU 1982/49: 77). Swedish firms continued to recruit labour, assisted by the Board of the Labour market (Arbetsmarknadsstyrelsen, AMS) and the

Ministry of Labour (Lundh and Olsson 1994; Appelqvist 2000, 185). In fact, the regulations did not reduce the number of immigrants coming to Sweden. On the contrary, the economic boom of the late 1960s brought with it an all-time-high in immigration numbers. Between 1968 and 1970 some 100,000 Finns went to Sweden, causing a net loss of population numbers in Finland (many of them returned only a few years later).

The political reforms in the 1960s (see chapter 4) that was the result of labour market immigration are one reason for identifying the mid 1970s as the beginning of a new period. But besides this important shift, immigration also changed, and it changed dramatically.

3.3. Refugee immigration and family reunion migration

The Swedish labour immigration policy effectively ended in 1972 (due to changing policy but also due to the economic recession following in 1973). The very same year did, however, witness an increased influx of a new type of refugee: non-European political refugees. This started already in 1966, when the UN High commissioner asked Sweden to accept a group of Lebanon-based Assyrians, but it was soon followed by Asians from Uganda, who in late 1972 were thrown out by Idi Amin and had to leave the country within 90 days. Most of these ended up in the U.K. but a total of 800 arrived in Sweden via the U.K. and refugee camps in Italy and Austria. The year after, 1973, the world witnessed a brutal military coup in Chile during which president Allende was murdered and many thousands of socialists were killed or persecuted. The Swedish Embassy played an important role in trying to assist people in Santiago immediately after the coup, and the Swedish PM Olof Palme obviously played a key role in the decision to invite and accept Chileans and other Latin Americans to stay in

Sweden as political refugees. From 1973 to 1978 between 6,000 and 7,000 Latin Americans came to Sweden, later to be followed by many more by reason of family ties and continued hardship in Chile under the dictatorship. There are currently (2006) 109,200 Latin Americans in Sweden. Of these, 67,000 were born in Latin America and 42,000 were born in Sweden having at least one Latin American-born parent.

The 1970s also witnessed an increase in ‘spontaneously arriving refugees’ in Sweden. Between 1968 and 1981 it is estimated that such non-planned refugee immigration was in the range of 36,000 (SOU 1982/49: 127). All in all, refugee immigration to Sweden 1950 to 1980 was dominated by people originating in Hungary, followed by Chile, Yugoslavia, Poland, and Turkey.

Towards the mid 1980s, refugee immigration and family reunion migration to Sweden took on new proportions. In 1980, 7.5 per cent of the Swedish population were foreign-born. In 2009, the proportion had increased to 14.3 per cent. If one includes people who are born in Sweden having two foreign-born parents, 18.6 per cent now have a foreign background. If one includes Swedish-born with one Swedish and one foreign-born parent, the proportion increases with about 7 per cent (SCB Demographic reports 2004: 5, 118 and Demographic reports 2010: 2). According to the earlier definition of the concept “foreign background”, thus 25 per cent of the country’s population qualify.

Table 12 charts basic population data 1960 to 2009. It has been estimated that the entire population increase since 1970 is due to immigration (the contribution of net immigration and the immigrants’ children born in Sweden). Although fertility rates for most immigrant categories seem to converge rather rapidly towards the natives Swedes, they are still rather high for people originating in Africa and parts of Asia

Table 12. Population statistics, Sweden 1960 to 2000 (Statistics Sweden).

Population Statistics	2009	2008	2005	2000	1995	1990	1985	1980	1975	1970	1960
Population 31 december (in 1000s)	9 341	9 256	9 048	8 883	8 837	8 591	8 358	8 318	8 208	8 081	7 498
Men	4 649	4 604	4 487	4 393	4 366	4 244	4 127	4 120	4 081	4 036	3 740
Women	4 692	4 653	4 561	4 490	4 471	4 347	4 231	4 198	4 127	4 045	3 758
Age 0-17	1 921	1 925	1 934	1 938	1 967	1 880	1 844	1 977	2 013	2 007	2 046
Age 0-17, percentage of total population	20,6	20,8	21,4	21,8	22,3	21,9	22,1	23,8	24,5	24,8	27,3
Age 65-	1 691	1 645	1 565	1 531	1 543	1 526	1 454	1 362	1 251	1 113	888
Age 65-, percentage of total population	18,1	17,8	17,3	17,2	17,5	17,8	17,4	16,4	15,2	13,8	11,8
Foreign citizens (in 1000s)	603	562	480	477	532	484	389	422	410	411	191
Percentage foreign citizens	6,5	6,1	5,3	5,4	6,0	5,6	4,6	5,1	5,0	5,1	2,5
Foreign-born (in 1000s)	1 338	1 282	1 126	1 004	936	790	656	627	550	538	300
Percentage foreign-born	14,3	13,8	12,4	11,3	10,6	9,2	7,8	7,5	6,7	6,7	4,0
Born in Sweden, two foreign-born parents (in 1000s)	396	379	338	284	224						
Percentage foreign background*	18,6	17,9	16,2	14,5	13,1						
Births (in 1000s)	112	109	101	90	103	124	98	97	104	110	102
Total Fertility Rate	1,94	1,91	1,77	1,55	1,74	2,14	1,73	1,68	1,78	1,94	2,13
Deaths (in 1000s)	90	91	92	93	94	95	94	92	88	80	75
Life expectancy, men	79,4	79,1	78,4	77,4	76,2	74,8	73,8	72,8	72,1	72,2	71,2
Life expectancy, women	83,4	83,2	82,8	82,0	81,5	80,4	79,7	78,8	77,9	77,1	74,9
Immigration (in 1000s)	102	101	65	59	46	60	33	39	44	77	26
Immigrants per 1000 inh. (beginning of year)	11,0	11,0	7,2	6,6	5,2	7,0	4,0	4,7	5,4	9,6	3,5
Emigration (in 1000s)	39	45	38	34	34	25	22	30	27	29	15
Emigrants per 1000 inh. (beginning of year)	4,2	4,9	4,2	3,8	3,9	3,0	2,6	3,6	3,3	3,6	2,0
Population growth (in 1000s)	84	73	36	21	21	64	16	15	32	77	36
Population growth per 1000 (beginning of year)	9,1	8,0	4,0	2,4	2,4	7,5	1,9	1,8	3,9	9,5	4,8
Swedish citizenships (in 1000s)	30	30	40	43	32	17	20	21	17	12	8

*The definition of foreign background was changed in the early 1990s. Earlier data are based on a definition saying that a child born in Sweden with one foreign-born parent should be regarded to have foreign background (in the statistics). The current definition requires two foreign-born parents.

Table 13. Age-specific fertility rates by country of birth and citizenship of mother, 2002 (SCB Befolkningsstatistik del 4, 2002, Tabell 3.13).

Mother's country of birth	Mother's age							Fertility rate*	Relative to total
	15-19	20-24	25-29	30-34	35-39	40-44	45-49		
Nordic country	5,6	41,2	107,7	111,4	46,0	8,2	0,3	1602	0,97
Thereof Swedish citizens	5,4	40,7	107,8	111,6	45,8	8,1	0,3	1598	0,97
Thereof Foreign citizens	13,2	58,9	106,2	106,5	52,2	9,0	0,5	1732	1,05
EU15 except Denmark and Finland	8,9	34,6	67,5	107,0	60,4	11,3	0,3	1450	0,88
Thereof Swedish citizens	5,8	21,9	82,2	88,6	43,2	8,8	0,7	1255	0,76
Thereof Foreign citizens	13,1	42,9	60,8	113,8	68,6	12,9	-	1561	0,94
Africa	14,4	110,7	156,8	142,3	83,4	30,2	3,2	2704	1,64
Thereof Swedish citizens	8,4	57,0	134,8	124,3	76,1	21,6	1,6	2119	1,28
Thereof Foreign citizens	23,6	153,5	175,5	166,0	99,0	57,5	9,3	3422	2,07
South America	11,6	54,5	99,4	103,5	50,8	14,8	0,4	1675	1,01
Thereof Swedish citizens	9,8	47,8	87,1	104,8	44,5	12,7	-	1534	0,93
Thereof Foreign citizens	18,1	77,5	126,8	101,7	59,2	18,3	1,4	2015	1,22
Asia	17,0	104,2	128,1	112,6	62,4	15,8	1,6	2208	1,34
Thereof Swedish citizens	7,3	53,7	106,1	99,8	53,1	11,2	1,4	1662	1,01
Thereof Foreign citizens	39,3	180,8	156,3	131,1	78,9	26,5	2,3	3076	1,86
Iraq	22,1	164,2	170,7	153,6	86,4	28,0	0,6	3128	1,89
Thereof Swedish citizens	8,0	73,7	120,5	127,6	70,1	20,7	-	2103	1,27
Thereof Foreign citizens	30,2	202,3	193,8	170,4	100,7	36,1	1,4	3674	2,22
Iran	4,7	40,2	87,9	96,3	51,6	11,6	1,7	1470	0,89
Thereof Swedish citizens	2,0	19,1	67,8	88,7	45,2	8,1	1,4	1162	0,70
Thereof Foreign citizens	19,4	104,6	120,9	110,4	73,0	30,2	3,5	2310	1,40
Total Sweden	6,6	47,7	109,2	110,7	47,3	8,9	0,3	1653	1,00
Thereof Swedish citizens	5,6	41,8	107,3	110,2	46,0	8,3	0,3	1598	0,97
Thereof Foreign citizens	26,9	121,0	128,1	116,1	63,6	16,0	1,1	2364	1,43

* Total number of children during the fertile period per 1000 females.

(see also table 13), contributing further to higher overall fertility in the country.

As will be discussed more in detail in chapter 4, the type of refugee migration that has dominated immigration to Sweden and many other countries since the 1970s, gave rise to different types of policy developments.

3.4. In and out migration composition

Before getting deeper into these questions, let us outline some key demographic and socio-economic features of immigrants in Sweden over the past 60 years. Three quarters of the entire population growth since 1945 is due to immigration surplus. From 1945 to 2003 net migration surplus, including children born to immigrants, was 1,840,000 people and the total population growth was 2,380,000 (Statistiska entralbyrån 2004). Figure four displays immigration and emigration numbers 1945 to 2009. Two aspects should be pointed out. Firstly, the numbers increase over time but, secondly, immigration and to a lesser degree emigration sometimes vary quite substantially from year to year. All in all, 2.89 Million people have immigrated during the

period while 1.62 Million have emigrated, giving a net migration figure at around 1.28 Million people. If we combine the first and second period of post-war immigration (war-related refugee migration and labour migration, 1945-1972) the net migration figure is 443,000 while the third period (refugee migration after 1972) contributes with 834,000. Immigration has been all time high 2006-2009, resulting in the influx of around 100,000 each year and 398,000 in total. For the first time ever, annual immigration exceeds one per cent of the population stock.

Naturally, the combination of much larger numbers and different country origins for the third period compared to the first and second periods has resulted in a substantial shift in the composition of immigrants in Sweden. Figure five charts the overall increase in immigrants' numbers residing in Sweden and their broad compositional change 1950 to 2008. People born outside of Europe now comprise 45 per cent of all immigrants in Sweden. Meanwhile, both the absolute number and in particular the proportion of Nordic country people have decreased (from roughly 50 per cent in 1980 to 21 per cent in 2008). However, if we study the current migration exchange not by regions but by individual

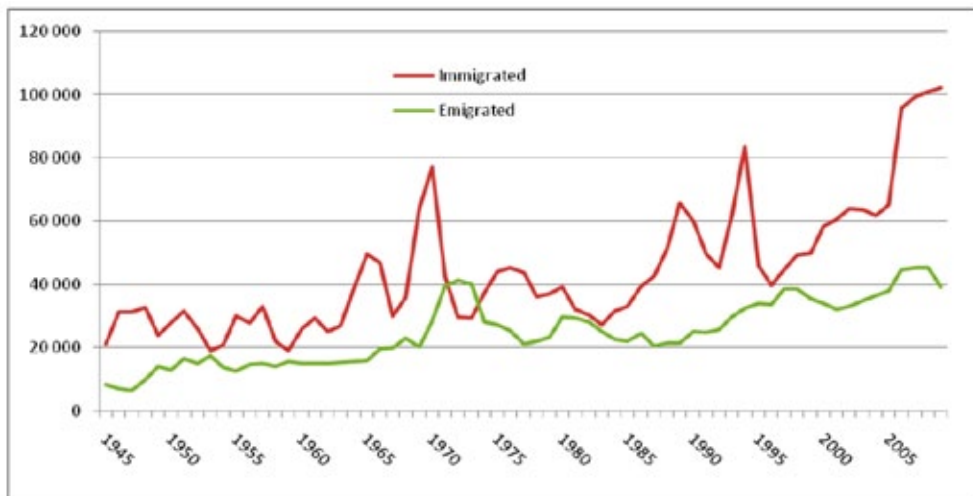


Figure 4. Immigration and emigration, Sweden 1945 to 2009 (Statistic Sweden).

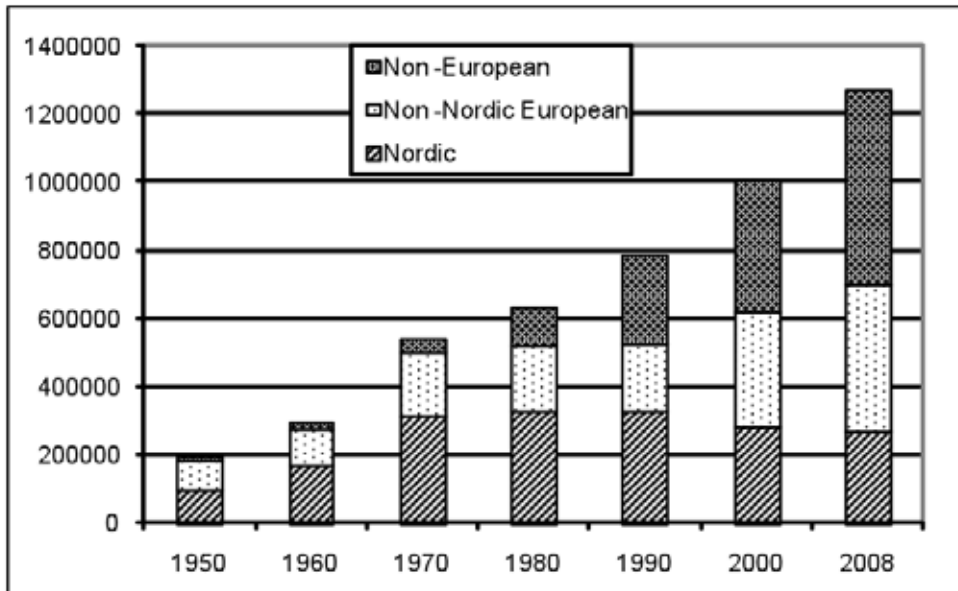


Figure 5. The number and composition of foreign-born in Sweden 1950-2008 (Statistics Sweden).

countries, Finland, Denmark and Norway continue to be present among the top five countries.

Table 14 summarizes the current composition of immigrants in Sweden according to world regions. Tables 15 and 16 give country-specific information concerning origin and destination countries for the 1990 to 2006 period.

Immigration and emigration movements obviously involve also the native population. Table 17 presents details concerning international migration movements 1990-2008, specified for na-

tives and immigrants and also specified according to parents' origin. As can be seen, Sweden makes a net loss of people born in Sweden and most of these also have a Swedish background. The average yearly loss is about 4,300 people and Swedish-born having two Swedish-born parents comprises 3,200 of these.

People born abroad contribute to 83 per cent of all immigration movements and very few of these immigrants have Swedish ancestry. Their propensity of leaving Sweden is not as high and,

Table 14. Composition of the stock of foreign-born in Sweden, 2008 (Geosweden/Statistics Sweden).

Country/world region	Frequency	Percent
Born in Sweden	7963577	86,2
Rest of Nordic countries	268419	2,9
Rest of Western European countries	131702	1,4
Eastern European	298371	3,2
Sub-Saharan Africa	74971	,8
Western Asia incl Turkey and N Africa	292052	3,2
Eastern Asia	114123	1,2
Latin America incl Central America & Mexico	70484	,8
North America, Australia, New Zealand	22205	,2
Unknown	610	,0
Total	9236514	100,0

Table 15. Origin countries for immigrants to Sweden 1990-2006, by country of birth (still in Sweden 2006) (Geosweden database).

Foreign-born			Sweden-born		
Country	Numbers	%	Country	Numbers	%
Bosnia-Herzegovina	49160	7.6	Norway	25963	18.6
Iraq	41748	6.5	USA	16296	11.7
Finland	37012	5.7	Denmark	9991	7.2
Norway	35890	5.6	Germany	7088	5.1
Denmark	33696	5.2	United Kingdom	6746	4.8
F. Yugoslavia	29338	4.5	Finland	6489	4.7
Poland	23242	3.6	Spain	6335	4.5
Iran	22701	3.5	France	4324	3.1
Germany	22021	3.4	Belgium	3919	2.8
Turkey	17721	2.7	Switzerland	3156	2.3
USA	17216	2.7	Australia	2913	2.1
Thailand	14480	2.2	The Netherlands	2377	1.7
Lebanon	13229	2.0	Italy	2162	1.6
Somalia	12600	2.0	Greece	1623	1.2
China & Taiwan	11734	1.8	China & Taiwan	1550	1.1
Russia	11529	1.8	Canada	1549	1.1
All other	252519	39.1	All other	36876	26.5
Total	645836	100.0	Total	139357	100.0

Table 16. Destination countries 1990-2006 for emigrants from Sweden, by country of birth (Geosweden database).

Foreign-born			Sweden-born		
Country	Numbers	%	Country	Numbers	%
Finland	37288	15.2	Norway	38379	18.6
Norway	31994	13.1	USA	27161	13.2
Denmark	21642	8.8	Denmark	14067	6.8
USA	15258	6.2	United Kingdom	11318	5.5
Germany	9411	3.8	Germany	9950	4.8
United Kingdom	7962	3.2	Spain	9115	4.4
Spain	5571	2.3	Finland	8435	4.1
Greece	5376	2.2	France	6918	3.4
Iceland	4846	2.0	Belgium	5534	2.7
Chile	4218	1.7	Switzerland	4821	2.3
France	4216	1.7	Australia	4777	2.3
Australia	3173	1.3	The Netherlands	3530	1.7
The Netherlands	2617	1.1	Italy	3334	1.6
Canada	2479	1.0	China & Taiwan	2544	1.2
Poland	2452	1.0	Canada	2450	1.2
Iran	2410	1.0	Greece	2426	1.2
All other	84115	34.3	All other	51693	25.0
Total	245028	100.0	Total	206452	100.0

Table 17. Immigration and emigrations statistics 1990-2008 according to country of birth and parents' country of birth (Geosweden database).

		Born in Sweden			
		w ith tw o	one Sw eden-	both parents	Total
Migration		Sw eden-born	born	born abroad	number
direction	Year	parents	parent		Sw eden-born
Immigrated	1990-2008	113340	25969	25735	165044
	% of all	11.5	2.6	2.6	16.8
Emigrated	1990-2008	174315	39195	32926	246436
	% of all	32.3	7.3	6.1	45.7
<i>Migration net</i>	<i>1990-2008</i>	<i>-60975</i>	<i>-13226</i>	<i>-7191</i>	<i>-81392</i>
<i>Yearly net average</i>	<i>1990-2008</i>	<i>-3209</i>	<i>-696</i>	<i>-378</i>	<i>-4284</i>
		Born abroad			
		w ith tw o	one Sw eden-	both parents	Total
Migration		Sw eden-born	born	born abroad	number
direction		parents	parent		Foreign-born
Immigrated	1990-2008	4929	9487	803864	818280
	% of all	0.5	1.0	81.7	83.2
Emigrated	1990-2008	2064	5377	285828	293269
	% of all	0.4	1.0	53.0	54.3
<i>Migration net</i>	<i>1990-2008</i>	<i>2865</i>	<i>4110</i>	<i>518036</i>	<i>525011</i>
<i>Yearly net average</i>	<i>1990-2008</i>	<i>151</i>	<i>216</i>	<i>27265</i>	<i>27632</i>
		Total			
		w ith tw o	one Sw eden-	both parents	Total
Migration		Sw eden-born	born	born abroad	number
direction		parents	parent		
Immigrated	1990-2008	118269	35456	829599	983324
	% of all	12.0	3.6	84.4	100.0
Emigrated	1990-2008	176379	44572	318754	539705
	% of all	32.7	8.3	59.1	100.0
<i>Migration net</i>	<i>1990-2008</i>	<i>-58110</i>	<i>-9116</i>	<i>510845</i>	<i>443619</i>
<i>Yearly net average</i>	<i>1990-2008</i>	<i>-3058</i>	<i>-480</i>	<i>26887</i>	<i>23348</i>

in fact, about 40 per cent of all emigration movements are carried out by people with a Swedish background (born in Sweden having at least one Sweden-born parent).

3.5. Residence permits and reasons for immigration

We end this section on immigration to Sweden by giving an account of the official reasons for granting permissions to stay given by the Swedish authorities for the 1980 to 2008 period. More details are available but we have grouped the reasons into six categories (see table 18). Two of

these six heavily dominate the picture. Approximately 30 per cent of all 1.16 Million permissions have been granted to refugees, mostly on humanitarian grounds, and about 46 per cent of all to relatives (family ties). Most refugees acquire a permission to stay after having asked for asylum. Table 19 summarizes the number of applicants per country (1984-2008). About a third of all applications have been made by individuals from former Yugoslavia, primarily during 1992-94 (the war in Bosnia) and 2000-2002 (Kosovo). Iraqi applicants are more dispersed over the entire period but with a noticeable peak in 2007 (18,600 out of a total of 86,000). Applications

Table 18. Number of granted permissions to stay in Sweden 1980-2008 (Board of Migration/Statistics Sweden).

Year	All	Refugees*	Relatives**		Labour migration***	Guest students	Adoption	EES treaty****
				thereof refugee				
1980	13 617	4 062	7 786	..	948	821	..	
1981	13 104	3 857	7 938	..	918	391	..	
1982	14 055	6 266	6 440	..	983	366	..	
1983	10 925	3 668	6 149	..	632	476	..	
1984	13 861	5 413	6 561	..	237	509	1 141	
1985	16 206	7 314	6 944	498	98	478	1 372	
1986	23 039	11 486	9 670	1 491	171	467	1 245	
1987	28 649	14 042	12 387	2 503	222	678	1 320	
1988	33 333	16 125	15 093	3 692	257	855	1 003	
1989	44 683	24 879	18 029	5 430	167	821	787	
1990	37 383	12 839	22 221	5 189	263	1 143	917	
1991	42 248	18 663	21 230	6 869	300	969	1 086	
1992	34 817	12 791	19 662	7 112	215	1 233	916	
1993	58 928	36 482	19 796	7 553	159	1 611	880	
1994	78 987	44 875	25 975	13 508	127	1 086	884	6 040
1995	32 486	5 642	19 707	8 040	190	1 504	794	4 649
1996	31 664	4 832	18 816	3 908	274	1 771	807	5 164
1997	36 565	9 596	18 910	3 785	433	2 376	694	4 556
1998	39 433	8 193	21 673	4 612	363	2 665	804	5 735
1999	37 376	5 597	21 681	4 122	343	2 802	879	6 074
2000	45 164	10 546	22 840	3 538	433	3 073	876	7 396
2001	44 505	7 941	24 524	4 104	442	3 989	758	6 851
2002	44 664	8 493	22 346	4 632	403	4 585	869	7 968
2003	46 857	6 460	24 553	4 763	319	5 509	782	9 234
2004	50 491	6 140	22 337	3 085	209	6 021	825	14 959
2005	55 990	8 076	21 908	2 004	293	6 837	805	18 071
2006	76 095	20 663	26 668	3 799	349	7 331	623	20 461
2007	76 655	18 290	28 975	7 691	543	8 920	540	19 387
2008	76 240	11 173	33 184	10 665	796	11 186	503	19 398
Total	1 158 020	354 404	534 003	122 593	11 087	80 473	22 110	155 943
*Temporary permissions not included.								
**Relatives to key personell excluded after 2004.								
***Only permanent permissions.								
****From May 1st, 2006 permissions for third country citizens residing in other EU country.								

from Iran mostly date back to the Iran-Iraq war in the 1980s. The breakdown of Somalia due to and subsequent to war has generated refugee applicants since around 1990, but with three years of quite many applications; more than 3,000 in 2003, 2007 and also in 2008. It is however worth mentioning that almost all conflicts in the world have generated requests for a safe haven in Sweden. The number of countries represented in the ranks of refugee applicants is very high and most of the countries listed in table 20 continue to generate refugee migrants.

3.6. Characteristics of the immigrants

3.6.1. Gender, age and family types

Migrants differ almost without exception from non-migrants with respect to gender and age composition. How they differ might vary but males at least used to be over-represented among international migrants. However, exceptions to this generalization nowadays tend to be more common. Many researchers have noticed a clear

Table 19. Asylum seekers to Sweden 1984 to 2008 by origin country (Rikspolisstyrelsen RPS, 1984-juni 1987; Board of Migration, July 1987-2008).

Country	Total	Country	Total
Yugoslavia (former)	188.420	Syria	9.254
<i>thereof Bosnia-H.</i>	54.371	Afghanistan	7.924
<i>Kosova</i>	1.031	Poland	6.348
<i>Serbia & Montenegro</i>	103.200	Peru	3.855
Iraq	86.840	Bangladesh	3.419
Iran	43.427	Pakistan	2.596
Somalia	25.339	Uganda	2.202
Lebanon	15.560	Cuba	2.128
Chile	12.642	Sri Lanka	1.945
Turkey	12.506	India	1.815
Russia	11.389	China	1.471
Ethiopia	10.188	Togo	696
Bulgaria	9.928	Other	88.434
Rumania	9.666	Unknow n	21.402
		Total	584.453

feminization of international migration (Morrisson, Schiff & Sjöblom 2008), sparked by increasing demand for household workers in many countries (the Gulf States being examples of this) in combination with difficulties for females finding jobs and earning cash income in many developing countries. Furthermore, many countries in the world experience demographic imbalances, i.e. a shortage of females (China is the prime example), a phenomenon that has made “love migration” and marriage brokers common phenomena in many parts of the world. Also within developed countries such imbalances tend to

emerge. The rural regions in the Nordic countries face this particular challenge, and many men in the north seek partners abroad (in Russia, Thailand etc).

Table 20 displays the proportion females per broad immigrant category in Sweden. If all foreign-born are grouped together (see bottom line), females are slightly over represented. This over representation is due to female dominance among some of the larger immigrant categories, such as people from the Nordic countries, Eastern Europe, and in particular Eastern Asia. On the other hand, male immigrants dominate among

Table 20. Proportion of men and women in different immigrant categories, 2008 (Geosweden database).

Country of Birth	Sex		Total
	Males	Females	
Born in Sweden	49.9	50.1	7.963.577
Rest of Nordic countries	43.4	56.6	268.419
Rest of Western European countries	54.9	45.1	131.702
Eastern European countries	45.9	54.1	298.371
Sub-Saharan Africa	52.1	47.9	74.971
Western Asia incl Turkey and N Africa	55.0	45.0	292.052
Eastern Asia	36.8	63.2	114.123
Latin America incl Central America & Mexico	49.0	51.0	70.484
North America, Australia, New Zealand	54.3	45.7	22.205
Unknow n	53.8	46.2	610
Total	49.7	50.3	9236514
All immigrants	48.3	51.7	1.272.937

Table 21. Age and sex distribution of different immigrant categories, 2008 (Geosweden database).

Country of birth	Sex	Age					Total	(N)	Gender proportion
		0-15	16-24	25-44	45-64	65+			
Sweden	Males	20	12	25	26	16	100	3.975.918	49.9
	Females	19	12	24	25	20	100	3.987.659	50.1
Western countries	Males	6	5	28	36	25	100	201.710	47.5
	Females	5	4	22	37	32	100	223.356	52.5
Eastern European	Males	6	14	37	29	14	100	136.853	45.9
	Females	4	12	37	32	15	100	161.518	54.1
Rest of the world	Males	10	15	46	25	4	100	275.530	50.2
	Females	10	14	49	21	5	100	273.738	49.8
All	Males	19	12	27	26	16	100	4.590.011	49.7
	Females	17	12	26	26	20	100	4.646.271	50.3

immigrants from Western countries, Western Asia and Northern Africa. In terms of particular countries, Thailand stands out. Four out of five Thai residents in Sweden are females; the proportion females are high also for Philippines (78 per cent) Russians and Japanese (67 per cent), Chinese (64 per cent) and South Koreans (62 per cent). Of these female-dominated nationalities, the Thai are most numerous (25,800), followed by Russians (13,400). There is however also another 19,500 registered as born in the former Soviet Union and these are also female-dominated (62 per cent). And, also worth mentioning, close to 60 per cent of all 174,000 Finnish-born are

females. On the other hand, 69 per cent of all Pakistani and about two thirds of all immigrants from Ireland, Italy, UK, Tunisia, Egypt and Algeria are males. Of these male dominated nationalities, immigrants from the UK are most numerous (19,200), followed by Pakistani (7,600) and Italian (7,100). It is of course often the case that gender imbalances implies greater proportions of inter-marriages.

It is an accepted fact among migration researchers that international migrants as migrants in general tend to have a skewed age distribution. They are often in their 20s and 30s and therefore tend to rejuvenate populations in receiving

Table 22. Family types according to region of origin, 2008 (Geosweden database).

Family type	Born in Sweden	Rest of Nordic countries	Rest of Western European countries	Eastern European	Sub-Saharan Africa	Western Asia incl Turkey and N Africa	Eastern Asia	Latin America incl Central America & Mexico	North America, Australia, New Zealand	Unknown	Total
Married/partner without children	20	26	20	18	9	11	12	10	16	15	20
Married/partner with child under 18	19	14	23	27	28	43	28	20	30	31	20
Married/partner with child 18+	7	6	6	8	2	7	6	7	4	2	7
Co-habiting, no child	1	1	0	1	0	0	0	0	0	0	1
Co-habiting with child under 18	10	6	6	5	6	3	7	10	6	4	9
Co-habiting with child 18+	1	1	0	1	0	1	0	1	0	0	1
Lone father with child under 18	1	1	1	1	2	1	0	1	1	0	1
Lone father with child 18+	1	1	1	1	1	1	1	1	1	0	1
Lone mother with child under 18	3	3	3	5	11	5	7	8	3	6	4
Lone mother with child 18+	2	3	2	3	2	2	2	4	2	1	3
Single	34	39	38	31	38	27	37	37	38	42	34
Total	100	100	100	100	100	100	100	100	100	100	100
(N)	4752187	201217	94799	233498	57022	233685	88087	58369	15592	418	5734874

countries. For countries having a large proportion of immigrants that have arrived rather recently, we can therefore expect immigrants to be different not only when it comes to their age profile but also in terms of family types and household composition. This, in turn, will affect housing consumption, housing preferences, labour market participation, income, education, etc. Table 21 shows the age distribution per gender group for three broad categories of foreign-born. It is clearly the case that many migrants arriving in Sweden in big numbers over the past 30-35 years (from outside Europe) are in the 25 to 44 age span while there is still a rather small proportion that has reached retirement age. On the other hand, some of the early labour immigrant nationalities, such as the Finns, comprise a fast growing proportion among the elderly. This has caused some worries and debates in Sweden concerning issues related to how to care for those elderly people who tend to lose the ability to speak and understand Swedish. Should care be arranged on an ethnic/language basis or should care facilities try to integrate people with many different backgrounds?

Table 22 shows the distribution of family types across world regions. Some of the differences emerging here is definitely due to differ-

ences in age composition. There is a clear over-representation of married people with younger children among those originating in Western Asia and Northern Africa while a relatively small proportion of them are single. Couples cohabiting while having children are fairly common in most categories but the least common in this particular group. One might also notice the clear over-representation of lone mothers among people born in Sub-Saharan countries and, to a less extent, in Latin America and Eastern Asia.

3.6.2. Labour market participation, education and income

It was said above that the developments of the 1980s and early 1990s led to intensive debates on integration issues. By now it had become clear that the integration outcome during the 1950s, 1960s and 1970s had changed dramatically. In the early post-war period, immigrants did very well on the labour market. The Swedish economists Ekberg and Gustavsson (1995) have calculated that the average labour market participation rates (LMPR) for foreign citizens at that time was about 20 per cent above the level for native Swedes (see figure 6).

However, from the 1950s onwards immigrants have performed less well decade by dec-

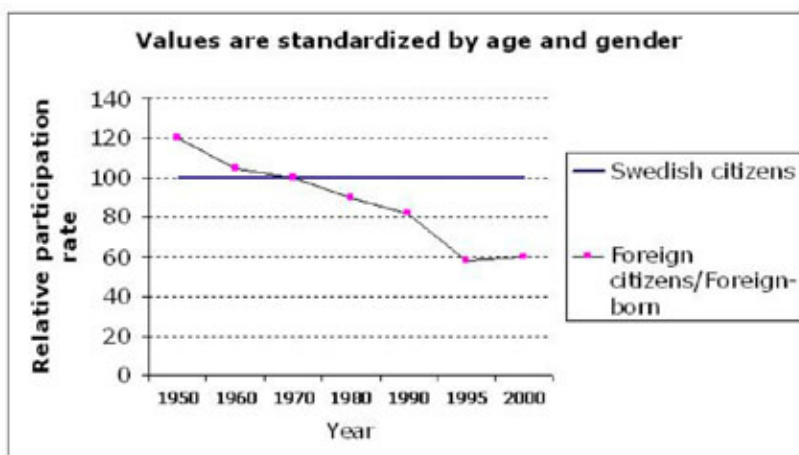


Figure 6. Relative labour market participation rates for immigrants in Sweden 1950-2000 (Ekberg and Gustavsson 1995. Data for 2000 added by the author. See also Rapport Integration 2003).

Table 23. Work income deciles in 2000, 2005, and 2008 by country of birth (age 20 to 64) (Geosweden database).

Country of birth	Year	Work income deciles										Percent	
		1+2*	3	4	5	6	7	8	9	10	> median	Total	
Born in Sweden	2000	16.8	9.8	10.1	10.3	10.4	10.6	10.6	10.7	10.8	100.0	53.0	4480347
	2005	16.4	9.8	10.1	10.3	10.5	10.6	10.7	10.8	10.9	100.0	53.5	4493971
	2008	15.8	9.6	10.2	10.3	10.6	10.7	10.8	11.0	11.0	100.0	54.1	4479323
Western countries	2000	31.6	8.3	8.3	8.3	8.6	8.8	8.9	8.7	8.5	100.0	43.5	288715
	2005	34.1	7.7	8.0	7.8	8.2	8.4	8.6	8.3	8.8	100.0	42.3	276694
	2008	35.0	8.2	7.7	7.6	7.8	8.1	8.3	8.3	9.1	100.0	41.6	276521
Eastern European	2000	41.5	11.3	8.9	8.1	7.6	7.0	6.5	5.0	4.2	100.0	30.3	168845
	2005	36.9	11.3	9.6	9.5	8.7	7.9	6.7	5.1	4.3	100.0	32.7	192675
	2008	35.6	11.9	9.9	9.8	8.7	8.1	6.7	5.3	4.2	100.0	32.9	226276
Asia with Turkey, and Africa, Latin America	2000	47.2	15.0	10.1	7.7	5.5	4.5	3.8	3.3	2.8	100.0	19.9	274584
	2005	45.5	14.0	10.1	8.5	6.4	5.0	4.1	3.4	3.0	100.0	21.9	359835
	2008	45.1	13.9	10.0	8.3	6.2	5.3	4.3	3.7	3.1	100.0	22.7	445287
Total population	2000	20.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	100.0	50.0	5212491
	2005	20.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	100.0	50.0	5323175
	2008	20.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	100.0	50.0	5427407

*About 15 percent of all aged 20 to 64 lack work income. Bottom two deciles are therefore merged.

ade so that their average LMPR stood at 0.58 relative the native workforce in the mid 1990s. This development –based on LMPR values –standardized for gender and age differences between the native and the immigrant population– is worrisome in itself but even more so when put into the perspective of the substantial increase of the immigrant population. We will not go into possible explanations to this development but it is definitely of key importance for understanding subsequent political debates in Sweden. The relative weak position on the labour market does of course translate into substantial income differences, and more so for work incomes than disposable incomes (the welfare state is still quite effective in compensating individuals and households having low work incomes). Table 23 displays income deciles sorted by country of birth for the working age population in Sweden.

The concentration of foreign-born into the bottom two deciles is obvious (see table 23). In 2008, 45 per cent of all born outside of Europe were concentrated into the bottom quintile (20 per cent segment) and the corresponding values for Western and Eastern Europeans were 35 per

cent. Western Europeans are a polarized category and their representation in the upper decile approaches the proportion held by native Swedes. The other two immigrant categories, however, are heavily under-represented among high income earners.

On a structural level one might expect that the position on the labour market and its subsequent effects for work incomes is due to educational differences. Education does indeed matter but it pays off less for immigrants. Table 24 shows that educational differences –in terms of number of years of schooling– are small when we aggregate immigrants into broad world regions. The differences are however quite substantial when we disaggregate and analyze the distribution across specific nationalities (see bottom part of table 24). Disproportionally few of those born in Chile, Somalia and former Yugoslavia have a high level of education while immigrants originating in India, Iran and Poland are well represented in the 15+ year category. It is worth noticing that the level increases quite rapidly over time for all nationalities but not for the Somalis and the Iraqi. Both these countries

Table 24. Educational level 2000, 2005, 2008 by region of birth, age group 20 to 64 years (Geosweden database).

Region of birth	Year	Missing		Less than 12 ys		12 to 14 ys		15+ years		Total	
		Numbers	%	Numbers	%	Numbers	%	Numbers	%	Numbers	%
Born in Sweden	2000	16244	0,4	2269273	50,6	1515971	33,8	678859	15,2	4480347	100,0
	2005	17588	0,4	1965095	43,7	1666050	37,1	845223	18,8	4493956	100,0
	2008	18650	0,4	1795216	40,1	1747294	39,0	918145	20,5	4479305	100,0
Western countries	2000	16396	5,7	159982	55,4	68227	23,6	44110	15,3	288715	100,0
	2005	18730	6,8	132163	47,8	68894	24,9	56898	20,6	276685	100,0
	2008	22963	8,3	119356	43,2	69686	25,2	64508	23,3	276513	100,0
Eastern European	2000	9031	5,3	71554	42,4	60754	36,0	27506	16,3	168845	100,0
	2005	9333	4,8	76888	39,9	68097	35,3	38355	19,9	192673	100,0
	2008	17948	7,9	83294	36,8	77203	34,1	47827	21,1	226272	100,0
Asia with Turkey, Africa, Latin America	2000	23105	8,4	126082	45,9	85419	31,1	39978	14,6	274584	100,0
	2005	27395	7,6	158218	44,0	112342	31,2	61864	17,2	359819	100,0
	2008	34106	7,7	191710	43,1	135372	30,4	84080	18,9	445268	100,0
Total	2000	64776	1,3	2626891	50,8	1730371	33,5	790453	15,3	5170820	100,0
	2005	73046	1,4	2332364	43,8	1915383	36,0	1002340	18,8	5323133	100,0
	2008	93667	1,7	2189576	40,3	2029555	37,4	114560	20,5	5427358	100,0
Individual countries											
Chile	2000	436	2,0	12162	56,1	7345	33,9	1749	8,1	21692	100,0
	2005	483	2,0	12319	50,6	8849	36,3	2707	11,1	24358	100,0
	2008	413	1,7	12163	48,8	9132	36,6	3237	13,0	24945	100,0
Somalia	2000	1798	20,3	3974	44,8	2513	28,3	588	6,6	8873	100,0
	2005	2156	18,4	6061	51,6	2855	24,3	672	5,7	11744	100,0
	2008	3704	20,9	9735	55,0	3420	19,3	843	4,8	17702	100,0
F. Yugoslavia (excl. Bosnia)	2000	2930	5,7	29018	56,1	16027	31,0	3783	7,3	51758	100,0
	2005	1617	2,9	30875	56,1	17991	32,7	4600	8,4	55083	100,0
	2008	1097	2,0	30660	55,1	18798	33,8	5065	9,1	55620	100,0
Poland	2000	944	3,0	11685	37,7	11909	38,4	6463	20,8	31001	100,0
	2005	2413	6,6	12221	33,3	13090	35,7	8938	24,4	36662	100,0
	2008	7404	14,6	14985	29,5	16763	33,0	11626	22,9	50778	100,0
Iraq	2000	4701	14,0	12017	35,7	10260	30,5	6693	19,9	33671	100,0
	2005	4627	9,0	22488	43,5	14913	28,9	9613	18,6	51641	100,0
	2008	6955	8,8	34606	43,8	22301	28,2	15156	19,2	79018	100,0
Iran	2000	2114	5,3	12185	30,3	17960	44,7	7949	19,8	40208	100,0
	2005	1823	3,8	13998	29,5	20524	43,2	11181	23,5	47526	100,0
	2008	1762	3,4	14522	28,2	21258	41,2	14008	27,2	51550	100,0
India	2000	455	6,5	2374	34,0	2812	40,2	1349	19,3	6990	100,0
	2005	1363	12,6	2613	24,2	4198	38,9	2617	24,3	10791	100,0
	2008	1690	13,3	2751	21,7	4715	37,2	3511	27,7	12667	100,0

have more than doubled their presence in Sweden since 2000. One conclusion is that the more recent Somali and Iraqi migrants have lower levels of education compared to those having arrived earlier. Another is that in particular the Somali migrants have an educational profile that is very unfavourable in the context of the Swedish labour market.

It is not only that some immigrant groups have a relatively low level of education, it is indeed the fact that many highly educated immigrants, in particular from Non-Western countries, have much lower incomes than could be expected. According to the EU Migrant Integration Policy Index, Sweden scores highest among 25 member states and three non-EU countries (Migrant integration... 2010). This may be true

but it says perhaps more about the situation in other countries and/or about the difficult challenge that face also countries trying to pursue an ambitious integration policy. There is no need for Sweden to be very proud about the integration outcome over the past 30 years. In the perspective of a more general integration failure, it is particularly worrisome that this failure applies also to the well educated part of the immigrant population (see figure 7). While seven per cent of all highly educated Swedish-born are found in the bottom income quintile (20 per cent segment), the proportion is five times as big (37 per cent) for highly educated from the category Asia with Turkey, Africa and Latin America.

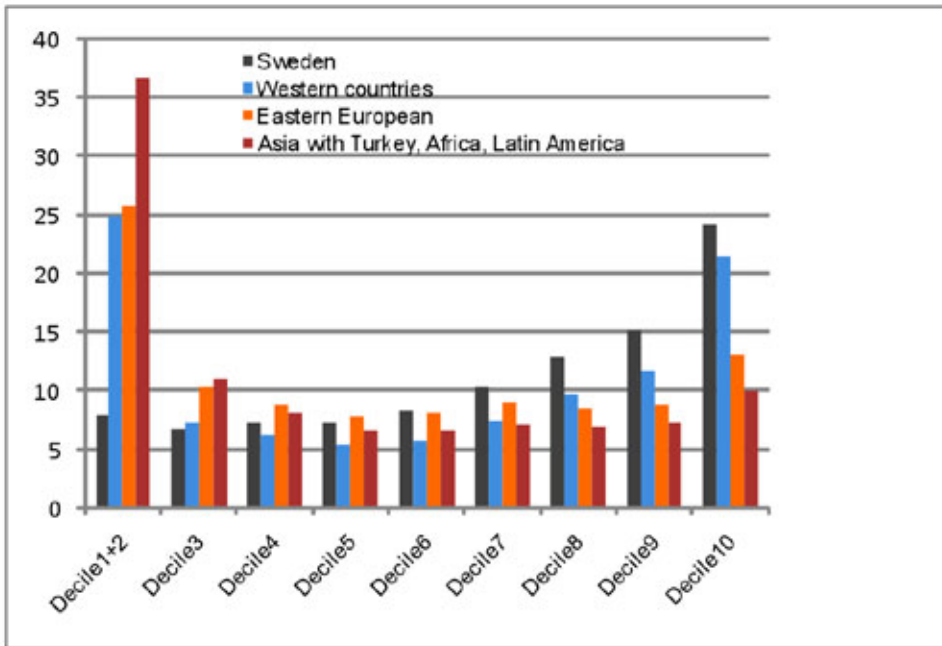


Figure 7. Highly educated (15+ years) distributed over work income deciles and country of birth, 2008 (Geosweden database).

4. Swedish integration policy

4.1. Introduction

This chapter will sum up key aspects of Swedish integration policies. It should be stressed that immigration policy and integration policy are very much connected to each other. The type of policy regime regulating immigration has both direct and indirect effects on integration policies. If a country pursues a very restricted policy on immigration, for instance accepting only highly skilled labour migrants or entrepreneurs to enter, integration problems are both perceived differently and can be hypothesized to be less severe compared to a country pursuing a relatively generous refugee immigration policy. It is also common that a country changing its policy on immigration changes also integration policies, for instance combining a more restrictive immigration policy with measures making it economically less attractive for migrants to aim for

this particular country.

The strong relation between immigration and integration policies has been pointed out by the political scientist Karin Borevi, analysing the Swedish case: “In 1968, the Government officially declared that policies towards immigrants should be guided by the goal of equality. At the same time, a regulation of immigration was introduced. The regulation was regarded as a prerequisite for upholding the principle of equality. Immigration had to be accommodated to the capacity of society to provide immigrants with employment, housing, social care and education on the same terms as the rest of the population” (Borevi 2010: 29).

4.2. Integration policy development

In order to acknowledge this tight relationship between immigration and integration policy we have summarized the key developments in these two policy fields in table 25 (the period 1939-

Table 25. Overview of key developments concerning immigration and integration in Sweden 1939 to 1970.

Period	Main characteristics	Key changes in immigration policy	Origin countries	Integration Policy and institutional reforms	Comments
WWII migration	Refugee migration	Gradually increasing possibilities to enter Sweden as a refugee	1943-1945; receiving 160,000 war refugees from Estonia, Latvia, Lithuania, Denmark, Finland. Immigration net in the 1940s: 134.000.	No explicit integration policy	
1945 to 1954	Refugee and start of labour migration	"The Bernadotte action", rescue of people from concentration camps. The Employment Board gets directives to assist firms in recruiting foreign labour. Construction of the common Nordic labor markets (finalized in 1954). Sweden signed the Geneva convention in 1951.	Influx of 34,000 refugees, many of Jewish origin, from concentration camps. Another 10.000 followed 1945 to 1949. Nordic migration period but also some recruitment from Italy, Hungary and Austria. Total immigration net in the 1950s: 106.000.	No explicit integration policy.	
1955 to 1970	Active labour market immigration policy and some refugee migration	Sweden ratified the New York Protocol (regulating the legal status of refugees) in 1967. The Social Democratic government introduced tougher regulations on labour immigration in March 1967, and thereafter all non-Nordic immigrants needed a work permit, a specific job and accommodation before entering Sweden.	Political developments in Eastern Europe (like the protests in Warsaw, Budapest and later in Prague) result in refugees giving permission to stay. In the 1950s, labour recruitments were made also in West Germany, Italy, Austria, Belgium and Greece, Yugoslavia and later also from Turkey. A new type of refugee emerges: non-European political refugees. This started already in 1966, when the UN High commissioner asked Sweden to accept a group of Lebanon-based Assyrians. Net immigration in the 1960s amounted to 197.000 people.	1950 to 1969: The Swedish Employment Board has the overall responsibility for monitoring labour immigration. No explicit integration policy (not a guest worker policy but an implicit assimilationist strategy). During the 1950s and 1960s, those granted refugee status were placed within the same general framework as labour migrants. In 1965, the first formulations of immigrant/integration policy (Government-initiated investigations). 1966: the first municipal bureau for immigrant services. In 1969, the Swedish Board of Immigration was set up, with responsibility for both immigration and integration issues.	The administrative responsibility for collective transfers of refugees to Sweden was between 1950 and 1969 placed on the authority for labour market issues (AMS) in cooperation with the Swedish Board for Health and Social Affairs (Medicinalverket/Socialstyrelsen), a commission on Foreigners (in 1969 transformed into the Board of Immigration) and the Police.

1970) and table 26 (1971 to present). The volume and characteristics of immigration have been dealt with in chapter three but these two tables offer a condensed summary also of key immigration policy developments.

The Swedish debate on immigration and immigrants took off in the mid-1960s, and the reason was not only the big influx of immigrants but also a series of newspaper articles addressing the issue of assimilation of, and the living conditions for, the immigrant population. Should immigrants be assimilated, integrated, or what? (Widgren 1980: 14-15). The labour immigration influx resulted in a debate in the 1960s (see chapter 3) which in turn led to the first steps towards an explicit formulation of Swedish immigrant policy, taken in 1965 to 1968. A 1965 decision

meant that Swedish language courses for immigrants could be provided without a cost for the adult study organisations that arranged such courses. In 1966, the Government set up a working group which later proposed how information and interpretation services should be organised. In the same year, the first municipal bureau for immigrant services was established (in Stockholm), soon to be followed by many more in other municipalities. Somewhat later decisions were taken in order to improve possibilities for immigrant children to learn Swedish in schools. In 1969, the Swedish Board of Immigration was set up in order to take care of many immigration and immigrant-related issues. One of its mandates was the responsibility to organise the reception of refugees. Finally, a new public inves-

tigation was launched in 1968, with the directive to propose a coherent immigrant policy.

The long-term integration issue was investigated by The Immigrant Investigation, set up in 1968. When it finally made public its proposals (SOU 1974/69; SOU 1974/70), a more active immigrant policy begins. The parliament voted in 1975 in favour of the Government Bill -which was based on the proposals made by the commission- and Sweden thereby declared itself a multiethnic country.

The policy was based on three concepts: *Equality, Freedom of choice, and Cooperation*. The equality goal underlines that immigrants should have the same opportunities, rights and obligations as the rest of the population (structural integration). It also means that everybody is entitled to preserve and learn his or her native language and cultural affiliation. The state should be neutral with respect to identity issues. Freedom of choice means that everybody can make a choice with respect to assimilation (cultural pluralism). Assisting immigrants in keeping the traditions is said to make a future decision on staying or returning easier. The cooperation goals are primarily about reciprocal tolerance and solidarity between immigrant groups and the native population.

The launching of this *multicultural policy* was followed by a series of reforms, such as the 'home language' reform in 1976 (giving all children/parents the right to demand from a municipality some education in the language spoken at home), and the introduction of the right for foreign citizens to take part in local elections (1976) (Widgren 1980: 16). Of the three overall goals the "freedom of choice" (*valfrihet*) was most difficult to interpret and to agree upon. This particular goal was also re-formulated in a 1986 parliament decision, where the primacy of some key "Swedish values" was clearly stressed. The values mentioned were *gender equality and the*

rights of children. These values cannot be comprised with arguments based in religious or cultural belief systems (SOU 1997/82: 20).

Karin Borevi points out that this decision in practice meant that Sweden from 1986 no longer should be classified as a country pursuing an ideal-type multicultural policy. Borevi (2010) makes a distinction between "demos" and "ethnos" and between whether or not there exists active recognition of ethnic sub-groups. Combining these dimensions she gets four ideal types: (1) Ethnic assimilation (primacy of ethnos over demos and no recognition of ethnic subgroups), (2) Ethnic segregation (primacy of ethnos but in combination with recognition of sub-groups), (3) Civic integration (combination of demos, i.e. not stressing ethnicity as the key element of national identity but instead a civic notion of the nation, with no recognition of ethnic sub-groups), and finally (4) Multiculturalism (demos with an active recognition of ethnic sub-groups). While the reforms and declarations of the mid-1970s placed Sweden in the fourth category, the 1986 decision moved Sweden to category three (where the country has remained).

The concept of integration enters Swedish policy discussions in the 1990s. The Integration Policy Committee, reporting in 1996, discusses the concept and uses it when analyzing structural features of the society (employment, political representation, health etc).

The political focus concerning integration has most often been placed on how to organize the introductory period, i.e. on the institutional division of responsibilities. It should be noted that the rather comprehensive introduction programmes (18 to 24 months) never have been compulsory in Sweden and that they aim in particular at recently arrived refugees and family members arriving rather close in time to persons admitted on either humanitarian grounds (in need of protection) or because they are given a

Table 26. Overview of key developments concerning immigration and integration in Sweden 1971 to 2010.

Period	Main characteristics	Key changes in immigration policy	Origin countries	Integration Policy and institutional reforms	Comments
1971 to 1984	Refugee immigration, in particular from the developing world.	Sweden continues to accept refugees by Governmental decisions and decisions taken by the Board of Immigration.	Uganda-Asians in 1972, Chileans and other Latin Americans subsequent the military coup in Chile in 1973; Iranians fleeing the dictatorship; Kurdish refugees from Turkey and Iraq).	The Swedish multicultural policy was established in 1974/75 as the overriding principle for dealing with immigration/integration (Equality, Freedom of Choice, Cooperation). Important reforms: 1976 home language reform (requires that schools have to offer language training in the pupils mother tongue); 1976 right for foreign citizens to take part in local elections	1982 The Commission on Immigrant Policy reports (residential segregation of immigrants mentioned as a problem)
1985 to 1994	Refugee immigration and family reunification.	Introduction of the refugee dispersal model in 1985, launched partly to cope with increasing numbers of asylum seekers. In 1989, political asylum applications filed in December 1989 or later would be treated strictly in accordance with the 1951 Geneva Convention; humanitarian grounds for asylum would no longer be used. In 1994, Reform of the dispersal policy, (less restrictions on settlement decisions)	Continued immigration from the Middle East, Latin America and Africa. In the 1990s also from the Balkans.	The integration policy comprises several components with most emphasis being placed on the introductory programme, including Swedish language courses (SFI) and vocational training, health investigation and medical treatment, housing provision, and labour market integration programmes. A constant debate regarding the efficiency of these services. Refugees as well as other recently arrived get a cash benefit equal to the social allowance benefit.	1984 Launching of the refugee dispersal policy as a way to avoid further geographical concentrations of recently arrived immigrants in metro areas. In the 1991 General election, an anti-immigration populist party takes seats in Parliament but is swept out three years later.
1995 to 2010	Refugee immigration and family reunification. Increasing labour immigration from Eastern European countries.	1995 Sweden becomes member of the European Union and in 1996 member of the Schengen agreement (opens up for free movements of people within the union) 2004/2005 Eastern European countries enter the EU; Sweden decides (along with Ireland and the UK) not to impose transitional regulation on free movement of labour from these countries. 2008 The Swedish regulation on labour migration from non-EU countries is reformed, opens up for larger volumes of labour migrants.	Continued immigration from the Middle East, Latin America and Africa. In the 1990s also from the Balkans. In the new millennium refugees arrive in large numbers from Iraq, Somalia, Pakistan/Afghanistan and some of the former Soviet republics. Labour migrants arrive from Poland and the Baltic countries. Seasonal workers also from Thailand and Eastern Asian countries.	1995 The Committee on Integration Policy is set up, reports in 1997: Mainstreaming of "civic integration" (ethnic diversity should be acknowledged by all actors in society). 1998 A new state board (Board of Integration) is set up to support and monitor integration processes in the municipalities. 1999 Launching of a State-funded urban area-based programme with the aim to break segregation (targeted 24 immigrant-dense housing estates in 7 municipalities). Some programmes before 1999 and the policy continues until today but with no direct State funding after 2005. 2006 Change of government leading to a 2007 decision to close down the Board of Integration. 2007 Board of Integration closed down. Responsibilities transferred to the County Boards. 2010 Swedish Public Employment Services gets the overall responsibility for a reformed integration strategy, focusing even stronger on employment.	Several parliamentary commissions work during 1995 to 1998 with analysing different aspects of the lack of integration in housing and in the labour market, including a strong focus on immigrant-dense neighbourhoods, i.e. the committee on metropolitan development, the committee on housing policy and the committee on integration policy. <u>Citizenship</u> is based on the <i>ius sanguinis</i> principle. Immigrants and their children are encouraged to naturalize and the requirements are not very restrictive. Requirements for naturalization are five years of permanent residence in Sweden; refugees need four years while Nordic citizens need just two years.
The periodisation of immigration to Sweden can be done partly different from the one used here. Charles Westin proposes the following: (see http://www.migrationinformation.org/Profiles/display.cfm?ID=406)					
1) Refugees from neighboring countries (1938 to 1948)					
2) Labor immigration from Finland and southern Europe (1949 to 1971)					
3) Family reunification and refugees from developing countries (1972 to 1989)					
4) Asylum seekers from southeastern and Eastern Europe (1990 to present) and the free movement of EU citizens within the European Union.					

refugee status according to international agreements. Anyhow, the overall aim of the introduction programme is to assist newcomers in the integration process by providing relevant information on the Swedish society, offering Swedish language courses, medical services, vocational

training and advice regarding job opportunities and housing. There has been an agreement that work is the key to a successful integration and most of the critique concerns the poor outcome in terms of employment. In short, it has since the beginning of large-scale refugee migration tak-

en too long time for immigrants to get a strong foothold on the Swedish labour market and all reforms over the past 25 years have at least rhetorically been launched in order to improve this situation.

During the introductory period, an immigrant is entitled to economic support, which equals the standard of living for others in need of cash social benefits. The law regulating this was established in 1990 and in 1992 (SFS 1990:927 and 1992:1068). It stipulates that this is a municipal issue, meaning that the introductory allowance is paid for by the municipalities. However, for those who follow an introductory plan, the municipality can apply for State funding (until 2010 at the Board of Migration). In 2010, the regulation stipulates 187,600 SEK for adult persons aged 16 to 64, 115,200 for children under age 16 and 69,200 for the elderly.

This State compensation to the municipalities is given for a two year period but it is meant to cover extra costs for about three and a half years. To be eligible for introductory allowance the individual migrant needs a permanent right to stay in Sweden and he or she has to take part the introduction activities (for instance SFI; Swedish for immigrants).

Immigrants given permission to stay due to family ties cannot claim the introductory allowance but are instead given the normal cash social allowance (i.e. same economic level). Asylum seekers are not entitled to take part in the introductory programme. Their economic support is regulated by LMA (the law on refugee reception, from 1988) and the compensation level to waiting refugees is set somewhat below the national norm for cash social benefits.

4.3. Policy on citizenship and naturalisations

The legal definition of citizenship is usually de-

finied as the formal relationship between an individual and a state with regard to rights and obligations. Since 1st of July 2001, Sweden permits dual citizenship, which means that an individual can become a Swedish citizen while also retaining her or his prior citizenship if that country permits it.

The differences between having Swedish citizenship and a permanent residence permit are:

- Only Swedish citizens have an absolute right to live and work in the country and only Swedish citizens have the right to vote in the elections for the Swedish Parliament.
- Only Swedish citizens can be elected to the Swedish Parliament.
- Only Swedish citizens may join the police or armed forces. There are also other occupations which are only available to Swedish citizens.
- As a Swedish citizen, you will find it easier if you wish to work in other EU Member States.
- Beyond this, in principle, foreign citizens who have a permanent residence permit (PUT) and who are registered in Sweden have the same rights and obligations as Swedish citizens.

Citizenship legislation in different countries is based on one of two basic principles:

- The principle of descent ó the child assumes the citizenship of its parents.
- The territorial principle ó the child assumes the citizenship of its country of birth.
- Swedish citizenship legislation is based on the principle of descent. This means that it is the parents' citizenship which determines the citizenship of the child (see Swedish citizenship 2010).

Requirements to obtain citizenship

To be eligible for Swedish citizenship a per-

son must document the following:

- The identity should be confirmed and documented (the so called identity requirement)
- The person must be at least 18 years old (the age requirement)
- The person must have a permanent permission to stay in Sweden
- The person must have been living in Sweden for five years or more. For refugees, four years is enough. For Nordic citizens, two years is the requirement.
- The person should have behaved well (no crime record). Waiting time for a person having committed a crime varies with the degree of criminality (one year for minor penalties and ten years for a person sentenced to 6 years in prison).

It should be noted that the Board of Migration carries treats every application individually and that exceptions can be made (for instance for children aged 15 to 17 and for a person living together with a Swedish citizen).

Sweden does not require a language test or a knowledge test of any kind as part of the requirements for obtaining Swedish citizenship. The number of people obtaining Swedish citizenship is 15,000 to 20,000 per year.

4.4. Effects of the integration policies

It is not easy to summarize the experience of several decades of integration policy but few, including former and present members of Government and politicians in general, would say that the policies have been successful. Some might explain the failure by stating that the task is very challenging, not least because of the overall labour market development (less job opportunities for low skilled workers from the 1980s onwards) in combination with the influx of large num-

bers of refugees (comprising both highly skilled and well educated people but also many without much schooling).

A State investigation in 1997 identified and summarized the problems concerning the introduction that existed at that time, and we judge that this criticism is still valid. (SOU 1997/82: 60) First of all, the report states that the introduction activities do not have clearly stated objectives. Without clearly stated national goals, evaluation of the outcome is difficult. Secondly, there are several types of information problems between different State and municipal agencies. Thirdly, all participants should be treated individually (an individual plan), but it happens too often that the immigrant does not even know the existence of a plan. Fourthly, it is difficult to plan activities in such a way that the individual does not have to wait too long between different stages in the process; waiting time results in feelings of passivity and is discouraging. Fifth, the health condition of immigrants is often poor and treatment is not always early enough or of the right quality. Sixth, the labour office has an important but difficult role in advising and assisting the immigrant. Most other institutions complain that the labour office constitutes the weak link in the process of getting immigrants onto the labour market. Seventh, the economic support model whereby the immigrant gets a sum of money without having to be active (which is mostly due to system failure in the sense that the introductory programme is ineffective, delayed etc) may lead to long term marginalization and that people get stuck in the cash social allowance system.

Besides these seven points of criticism, one more should be mentioned. Little integration related activities have experienced more criticism than have the languages courses (Swedish for immigrants, SFI). The criticism concerns most aspects, such as efficiency, organization, planning, and above all lack of individualiza-

tion (for instance not separating highly educated immigrants from those having little education and not separating those speaking different languages from one another). Improvements have been made over time but SFI continues to be discussed as a major problem.

4.5. The role of municipalities

There have been a large number of evaluations, and also quite a lot of research, looking into geographical variations in the integration outcome (See Sandberg 1998). While integration on the labour market seems to be functioning rather well in certain parts of Sweden – in particular in low unemployment municipalities like Gnosjö in the county of Småland- metropolitan regions see big problems. The municipalities have always had a very important role to play in relation to integration, but the refugee dispersal policy launched in 1984 meant a radically increased importance for the municipality level in administrating the process, i.e. organizing the reception and designing and operating the introductory programme. We will get back to this in the next chapter.

In terms of obligations, the Swedish municipalities can decide whether or not to make an agreement with the State (earlier the Board of Migration, now the county boards) concerning refugee immigration. Most municipalities do sign such yearly agreements but those who do not are often accused of not taking their share of a common responsibility. The political scientist Marie Bengtsson studied the development over time (1985 to 2000) of the central-local State relations in the field of refugee reception and integration, and she draws the following conclusion (Bengtsson 2002, Summary)

“The basic paradox within this area is that the central government grants the refugees asylum but cannot give them a place to live without the permission of the local government. This permis-

sion is accomplished through voluntary agreements signed between the National Integration Office and the local governments. It is then the local governments that integrate the refugees to Swedish society by providing housing, education, healthcare and so on while the central government is giving the local government a grant to cover the expenses. The central government has lacked political, informational and authority-related resources. The resource used to compensate for this has been the financial resource. By economic incentives the central government has encouraged local governments to increase their refugee reception. This has been the central government’s universal weapon and has been used to reduce its vulnerability as well as its sensitivity. For local governments, authority-related and financial resources have been lacking. The resource that the local governments have had, all the way through the time period studied here, is the organisational resource. This is something that the central government simply cannot provide and this is why there is a relationship of interdependence – just as only the central government has authority in its power base, the local level is the only one with organisational resources.”

Most Swedish municipalities have a certain part of the administration that has responsibility for introduction activities. This could be a separate unit or it could be a part of for example the section for social affairs. In Stockholm, having a decentralised structure with 14 city districts, each district has its own contact person and a group of civil servants that work with these issues.

5. Migration flows and settlement patterns

5.1. The refugee dispersal policy 1985-1994

5.1.1. Background

Statistics Sweden has data on immigration and emigration since about 1875 but it was not until 1968 that population registers were improved to allow for special analyses of employment and housing statistics based on citizenship and country of birth information. The regional distribution of immigrants was seldom discussed or analysed before the late 1970s. The Commission of Immigrant Policy (appointed by Government in 1980), reporting in 1982, summarises almost every aspect of the immigration to Sweden and the development in migration and immigrant policy up to that date. It is, however, difficult to find any information in the report indicating that the domestic geographical dimension of labour or refugee immigration had ever been considered. The issue is sometimes briefly brought up in relation to aspects of housing, for example in a Government Bill from 1968:

“Immigrants should have the same housing standard as the native population. This has not always been the case so far; the development has sometimes resulted in a concentration of foreigners to special districts, especially in the larger cities. This trend must be reversed” (Translation of Government Bill 1968:142, cited in SOU 1982/49: 80).

The 1968 Bill, which was approved by the Swedish Parliament (Riksdag), regulated labour immigration policy and –among other things– it stipulated that decent accommodation had to be arranged before permission to enter Sweden for work could be issued by the regional labour market authorities (Länsarbetsnämnderna), respon-

sible for deciding on such applications. Many cities faced severe housing shortages in the late 1960s, and this directive did hardly affect the geographical distribution of immigrants. The guidelines concerning the treatment of refugees on the housing market were repeated in a 1975 Government Bill. Here it is stated that “improvements of the housing conditions for immigrants should be handled within the general housing policy framework and not by selective treatment” (Government Bill 1975:26, cited in SOU 1982/49: 235).

By and large, both labour and refugee immigrants were concentrated in the metropolitan regions and this concentration was even more pronounced for refugees. The labour immigrants were often recruited for a specific job in a specific firm in a particular city or town, which resulted in an influx of immigrants not only into the major cities but also into smaller urban sites, predominantly in the southern and central parts of the country (sites relying on textile, pulp- and paper, mechanical and/or iron- and steel production). The refugees normally stayed in or close to the points of entry (airports and ferry harbours in the south of Sweden), leading to a growing concentration of refugees especially in the Stockholm and Malmö region. Data from the Police districts published in September 1981 showed that the wider Stockholm region (including the two neighbouring counties) received about half of all refugees, the Malmö region about 20 per cent and Gothenburg 14 per cent. (SOU 1982/49; Invandringspolitiken, Bilaga 8: 372.) This is probably a relevant estimate of the unregulated settlement pattern that existed in the late 1970s and early 1980.

The 1980 Commission on Immigrant Policy pays particular attention to “waiting refugees”, i.e. persons waiting for a decision on their application for permanent residence in Sweden. “Although it is not a result of immigrant policy considerations, the municipalities have the re-

sponsibility for taking care of waiting refugees”, declares the commission (SOU 1982/49: 226), and continues: “Waiting refugees are very unevenly distributed over the country, which implies that some municipalities carry a large share of the responsibility”. A bit further on, the commission also tries to explain this unevenness: “Several factors guide the refugee’s choice of residence. The Board of Immigration has investigated this (based on interviews with local professionals within the Police and the municipalities) and draw the conclusion that the primary reason for the residence decision seems to be the existence of fellow countrymen in a municipality. It is normal that waiting refugees find their first accommodation where they have a relative or friend. Furthermore, it is natural that many end up in or nearby the arrival site. Finally, it seems like education opportunities can play a significant role for the choice of residence.” (Translation of SOU 1982/49: 228-9). The study referred to here also concludes that the housing issue is indeed very difficult for those municipalities which receive many refugees. Sigtuna municipality north of Stockholm is the location for Arlanda International Airport and the municipality complained already in 1980, that it had big problems finding housing and providing for the many refugees who settled there.

It has been estimated (Andersson and Solid 2003) that around 80 per cent of the refugees arriving in the early 1980s settled in the three metropolitan regions which otherwise comprise about half the Swedish population. If one also takes into account that the distribution within each one of these regions was very uneven, the imbalance takes on greater proportions. This is one important background for the growing local and national concern over the immigrant’s settlement pattern that eventually led to the dispersal policy launched a few years later. The other factor was however the growing gap between the

native and immigrant population with respect to labour market participation rates. A growing unemployment rate in especially recently received refugee groups hardly affected the overall Swedish economy but it definitely produced noticeable local effects.

The organisation of refugee reception was reconsidered at the beginning of the 1980s. The Board for Labour market issues (Arbetsmarknadsstyrelsen, AMS) -which had been responsible for reception of quota refugees since the early 1950s- wanted to concentrate their efforts on its core issue (labour market policy measures). AMS therefore proposed to the Government that the responsibility for refugee reception should be taken over by another authority. As mentioned above, many larger municipalities had received increasing numbers of asylum seekers and demanded that the State had to take more responsibility for these people. A working group established within the Ministry of Labour (‘The Working Group for the responsibility for Refugees’, with the Swedish acronym AGFA) proposed a model for “local reception”. The suggestion had two basic components. Firstly, the municipalities should be responsible for the introduction of refugees who had received their permission to stay in Sweden. Secondly, the Board of Immigration should be the state authority in charge and responsible for accommodating asylum seekers and for negotiating their placement in a municipality after a residence permit had been issued (SOU 1996/55; Sverige, framtiden och mångfalden: 201-2.).

These proposals from the AGFA group were realised through a 1983 Parliament decision, and the Sweden-wide policy of refugee reception therefore commenced in 1985.

5.1.2. The compulsory dispersal period⁴

One of the basic ideas with the concept of ‘local reception’ was to direct refugees to settle away from the metropolitan areas. In the spring of 1985, SIV signed agreements with 137 out of Sweden’s 284 municipalities, providing for the reception of 8,800 refugees. However, the increase in refugee immigration continued—many came from the war between Iran and Iraq—and a majority of these people received (permanent) permission to stay in Sweden. Plans needed to be expanded even more; only in 1985, the municipalities received 14,000 refugees. For the following year, agreements were signed with 210 municipalities concerning the reception of 12,500 refugees. The actual receptions turned out to be somewhat greater (14,000). At the beginning of 1987 it was pretty obvious for SIV that agreements in the range of 9,000 to 14,000 would be inadequate due to the continuing increase of asylum seekers. The situation was problematic as waiting times at the SIV camps increased dramatically. The agency turned to the Minister of Immigration in a call for a reaction at the top political level (in order to increase the number of reception places in the municipalities), but no such actions were taken. (It should be noted that ministers in Sweden do not have the right to directly intervene in the work done in different State boards.) The number of receiving municipalities increased even more during this year and about 14,400 places were negotiated (and 18,600 refugees were finally received). 1987 is in many ways the first year in which almost all Swedish municipalities became involved in the reception programme.

In the mid-1980s, asylum-seekers from Iran and Iraq, Lebanon, Syria, Turkey and Eritrea had begun to increase in number throughout West-

ern Europe. Towards the end of the decade, people from Somalia, Kosovo and several of the former states of East Europe began to join the queue of asylum-seekers. The number of Swedish municipalities taking part in the local reception strategy increased year by year. However, waits for asylum cases in Sweden to be settled grew ever longer, the number of refugee centres increased steadily, and more and more people had their applications turned down as it was not always persecution that had caused them to flee their countries.

The municipalities that signed reception contracts with the SIV numbered between 270 and 280 (out of around 286 in total at that time) during most years of the first phase of the ‘Sweden-wide’ policy for refugee reception (1985-1994). It is important to note that what would later become known as the Sweden-wide strategy was only partly an intended policy. The idea was to disperse new refugees but not to involve all municipalities throughout the country. The shift in organisation and launching of the new placement strategy occurred at a time when the number of asylum seekers expanded beyond all planning-based estimates. The term ‘All-of-Sweden’ or ‘Sweden-wide’ was coined by The Swedish National Audit Office (Riksrevisionsverket) in an evaluation of the local reception of refugees published in 1988. The rather extreme degree of dispersal that characterised the reception was primarily caused by increasing numbers of refugees but also other factors influenced the outcome. Many municipalities own a substantial rental housing stock (public housing but not social housing). During the 1980s many municipalities had empty dwellings, leading to high costs and budget constraints. By placing refugees in these dwellings (with the rent paid by the State), the refugee-receiving municipalities also solved part of their financial problems—at least in the short term (SOU 1996/55: 203).

⁴ This section is based on Andersson and Solid (2003).

At the beginning of the 1990s, asylum immigration reached the proportions of the Second World War. The reason was the wars emerging in former Yugoslavia, which caused some 84,000 people to apply for asylum in Sweden in 1992. The SIV ran eight camp facilities in 1985, 24 in 1990 but an astonishing number of 290 in 1993! (SIV: Mångfald och ursprung 1997: 25). However, the reception circumstances and opportunities for finding a job and to integrate in the Swedish society became worse than ever before due to economic stagnation, a financial crisis and rapidly growing unemployment (1991-93).

The 'Sweden-wide' policy was already from its first day discussed from many points of departure. One of the issues concerned the morality dimension, namely whether or not it was democratic and just to command or influence refugees to settle in places they had not chosen themselves. Even if the answer might be a yes, it was nevertheless obvious that the State's control was only temporary, and perhaps illusionary, as the refugee could choose to migrate whenever (s)he wanted. Secondary migration was analysed already in the 1988 evaluation by the Swedish National Audit Office. The Government and Parliament decided to increase the individual refugee's responsibility for his or her settlement decision, and from July 1st 1994 any refugee that could arrange his or her own accommodation was entitled to do so. This soon turned out to be a radical change of the reception policy as more and more refugees managed to find their own housing, avoiding long waiting times at a refugee camp and -having eventually received a positive reply on the permission to stay application- a placement in an unknown or undesired municipality. In the investigation preceding the new asylum reception law (LAM; Lagen om mottagande av asylsökande) it was suggested that perhaps ten per cent of the refugees would choose this option. It turned out to be more than half of them, an outcome

that made the situation in the metropolitan areas very problematic.

The introduction of this 'own housing' option has been criticised by metropolitan municipalities since then but it was welcomed by the refugees and it reduced costs for the State. The discussions have continued, and further State investigations have been initiated. When the last investigation reported in 2009 (SOU 2009/19), the own housing option was preferred by 56 % of all asylum seekers while 44% were housed with assistance from the Board of Migration. The present government, elected in 2006, immediately closed down the state Board of Integration and the responsibility for introduction programmes has thereafter been discussed and investigated by a committee (Utredningen om nyanländas Arbetsmarknadsetablering IJ 2007:02). The Government decided in December 2009 that the overall responsibility for immigrants' introduction, including advice on settlement, will be transferred during 2010 from the Board of Migration and the municipalities to the Board of Public Employment service (from December 1st, 2010). The municipalities will continue to have responsibility for housing issues. The County administration will coordinate settlement and housing issues in each county. Many had wished for a return to the Sweden-wide policy for refugee reception and perhaps a decision to make it mandatory for municipalities to accept refugees. However, the government points out that a municipality cannot be forced to accept refugees. Settlement will be based on volunteer agreements between the State and each municipality but it will be based on some sort of fixed annual number for each county, which in turn will be based on the conditions on the labour market (Regeringens proposition 2009/10:60). Whether or not these reforms -in many ways a return to the division of responsibility that existed during the labour immigration period in the 1950s, 1960s and 1970s-

will have any effect on integration levels and/or settlement patterns remain to be seen.

5.2. Urban area-based policies: the metropolitan development initiative⁵

The type of refugee migration that has dominated immigration to Sweden and many other countries since the 1970s, gave rise to different types of policy developments. Firstly, as described above, the geography of immigration, i.e. the immigrants' settlement patterns, became an important political issue. Secondly, labour market integration of the newcomers seemed to be a much bigger problem compared to earlier experiences. Thirdly, discrimination emerged as a new and seriously discussed problem. These issues were brought together in the directives given to a new committee, set up by the Government in 1995.

The Committee on Immigrant Policy was given a mandate to clarify all relevant aspects of immigrant policy, and to address (both empirically and theoretically) such issues as the failure of the integration of the labour market, the increasing amount of ethnic residential segregation, geographical mobility and regional settlement patterns, the country-wide strategy for refugee reception, religious factors, immigrants' involvement in politics and organisations, language policies, return migration, and the economics of immigration (Andersson 1999). In the commission's final report it recommended that immigrant policy should be restricted to a maximum period of five years after immigration and that thereafter immigrants should be seen as "ordinary Swedish citizens" and that they should not be targets of selective policy measures. However, the absence of a selective policy necessitates, according to the committee,

that cultural diversity must be regarded as the backbone of all policies (mainstreaming). Finally, the commission stated that the current situation calls for short-term special actions regarding labour market integration and residential segregation. Among these special actions, the committee argued for state support for finding new methods regarding ways of counteracting social exclusion in "immigrant-dense" neighbourhoods (SOU 1996/55). The committee's proposals became active policy by a parliament decision in 1997. The big city policy, or officially called Municipal Development initiative, were a program that was active from 1998 to 2006. It targeted the three metropolitan areas of Stockholm, Gothenburg and Malmö (Öresjö et al. 2004)

When the Metropolitan Development Initiative (MDI) was launched in 1998, it represented something new in the Swedish context, namely the notion that not only peripheral regions with decreasing populations and related economic problems needed extra support, but also the three largest city regions (Stockholm, Gothenburg and Malmö). In a globalised world, increasingly characterised by competition between countries, regions and cities, the 'growth motors' of the Swedish economy needed financial support in order to stay competitive and to attend to problems that might threaten long-term economic growth.

A reading of the government Bill where the MDI was proposed (Proposition 1997/98:165) makes it clear that the grounds for initiating the policy were many (see also Andersson 1999, 2001). The main reason, however, was increased problems during the 1990s with segregation and social polarisation, in the wake of the immigration of several hundred thousand refugees to the large MP housing estates of the metropolitan suburbs. The overall aim of the policy was to 'break' segregation and to work for equal and comparable living conditions for the inhabitants of the

⁵ This section is based on Andersson (1999, 2003, 2006) and Andersson, Bråmã, Holmqvist (2010).

three largest cities. This overall aim was also reformulated into eight more specific goals, addressing subjects such as unemployment, welfare dependency, education and health. In the Bill, the understanding of segregation is mainly that of social, or class, segregation; it is social polarisation, and the risk of this resulting in a divided society, that is emphasised. However, the government also acknowledged that the social and ethnic dimensions of segregation were becoming more and more intertwined, or as they put it: 'class society has taken on ethnic characteristics' (Proposition, 1997/98:165, p. 8).

A new body, the Commission on Metropolitan areas, was established in 1999 and was given the task of developing and co-ordinating the new urban policy (Proposition, 1997/98:165). More specifically, the work of the Commission had two aims: (1) to promote economic growth and more effective planning in the metropolitan regions; and (2) to represent the state when Local Development Agreements (LDAs) were negotiated between the state and selected municipalities in the metropolitan areas. The introduction of the LDA model of support signified a departure from the general and universal approaches traditionally preferred by the Swedish Social Democrats in tackling unemployment and social exclusion. One reason for launching this rather un-orthodox approach in order to tackle the appearance and growth of localised 'pockets of poverty' was probably that the adjustment to the EU monetary regime in the early 1990s made the scope for traditional Keynesian policy measures much more limited. Officially, however, the motive was that the new situation called for un-orthodox solutions. A preliminary version of the new policy was launched in 1995, with the explicit aim of developing new methods for dealing with unemployment and the social exclusion of immigrants (Budgetproposition 1994/95:100).

There are many similarities between the MDI

and area-based urban programmes that have been in operation in other EU countries (see Burgers and Vranken 2004; De Decker et al. 2003; van Gent, Musterd and Ostendorf 2009). First, the policy was selective, in the sense that a limited number of neighbourhoods were targeted, and also limited in time to about three years. The first round of LDAs involved a total of 24 poor, immigrant-dense neighbourhoods in seven municipalities (Stockholm, Botkyrka, Haninge, Huddinge and Södertälje in the Stockholm region plus Gothenburg and Malmö), that shared SEK 2 billion (220 million Euro) over a three-year period (Regeringsbeslut 21 January 1999, Tillsättande av en storstadsdelegation). The local development agreements were negotiated over a couple of years and were subsequently renegotiated and also extended to several more municipalities.

Second, the programme was run under a co-funding, cost-sharing principle, where the state and local actors provided a similar number of resources. Once agreed upon, each neighbourhood programme was regulated by a signed contract (the LDA) between the state and the municipality, a method that has been practised at least in other Nordic countries. Third, the policy involved an integrated effort to simultaneously address several issues such as education, employment, health, democratic participation and culture, all with a neighbourhood focus. In doing that, it aimed to create partnerships between different local actors. The residents were also encouraged to take an active role in the planning and realisation of the programme.

One crucial difference, however, between the MDI and urban area-based policies in most other Western countries was its lack of physical measures. Even though one of the eight specified MDI goals was to increase the attractiveness of the targeted neighbourhoods, the programme did not include investments in housing aimed

at creating a more attractive housing stock. The reason was primarily that very few people believed that the physical structure of the estates, let alone the quality of housing, were important factors in the reproduction of 'racialised' social exclusion. The targeted suburban estates had, and still have, a weak relative position on the urban housing markets, and this is related to the concentration of socio-economically weak households. The general understanding was that this is primarily a social and not a physical problem. Thus, the other goals were mainly social and economic, and expressed in terms of the macro-level development of the resident, e.g. to raise employment rates and to reduce benefit dependency rates in the targeted neighbourhoods. As such, the policy was more loosely fixed to the neighbourhood, and the outcome was more dependent on the achievements of the residents, and on whether or not they chose to remain in the neighbourhood if their socio-economic situation improved (Andersson and BråmÅ 2004).

Several evaluations of the MDI show that progress was made in relation to some of the policy goals, notably in the employment, benefit dependency, and educational fields. (Bak et al. 2004; Bevelander et al. 2004; Bunar 2004; Hosseini-Khalidjari 2003; Integrationsverket 2002; Törnquist 2004) However, most analyses show that the relative improvements in terms of employment and reduction of welfare dependency rates were not due to the programme as such but to improved macro-economic conditions. Levels of ethnic segregation were hardly affected by the area-based programme.

Even more importantly, the analyses here show that progress for the targeted population might very well be compatible with a failure vis-à-vis the targeted neighbourhoods. The reason is simply selective migration (Andersson and BråmÅ 2004). 'Selective migration' means that the composition of the out-migrants differs from

that of the in-migrants, and that of those staying in the neighbourhoods. In this case, the neighbourhoods lose those residents who are relatively better off, and the in-migrants who replace them are poorer and more marginalised. In the study here, it was possible to show that this was indeed been the case in the distressed neighbourhoods of the Stockholm region during the 1990s. Those who moved into the distressed neighbourhoods had lower incomes and were more likely to be unemployed and dependent on social benefits than those who left the neighbourhoods and those who stayed there. As long as the areas targeted are affected by this kind of selective migration, the area-based urban policy might succeed in helping individuals, but it will not succeed in changing the socio-economic profile or the structural position of the targeted areas. It will therefore also fail in achieving the overall goal of 'breaking' segregation (see also van Gent 2009).

5.3. The geography of immigration 1980 to 2008

It is the increasing geographical concentration of immigrants in particular localities and neighbourhoods in combination with social marginalization that have been identified as a sign of integration problems and this has generated policy responses such as refugee dispersal programmes and urban area-based interventions. The rather dramatic settlement effects of the Sweden-wide policy for refugee reception have been analyzed elsewhere (Andersson 1998; Andersson and Solid 2003). In short: despite a massive secondary migration from smaller to larger municipalities it turned all municipalities in Sweden more ethnically diverse during the period 1980 to 1995 (see figure 8).

The overall distribution does not change much but the relative growth in immigrant density is much faster outside of the pre-reform con-

centrations. Figure 9 illustrates the migration frequencies in 1998, i.e. after the end of compulsory placement, but it can nevertheless be seen as indicative of the very high mobility that especially more recent immigrants have. The Somali and Iraqi had three times as high mobility rate as the native Swedes and they moved more often at all scales (within neighbourhoods, cities and counties but also across county borders). It is likely the case that the placement policy contributed -at least to some extent- to the high overall mobility

rate among recent refugees, but it has also been shown that mobility rates were almost as high during the years before the reform (Andersson 2000). One conclusion is therefore that recent immigrants will show very high levels of migration irrespective of the type of steering and placement policy that a country tries to implement. They are -irrespective of their age- in this sense rather similar to young adults who seek their paths on housing markets, educational markets and labour markets, while being very mobile.

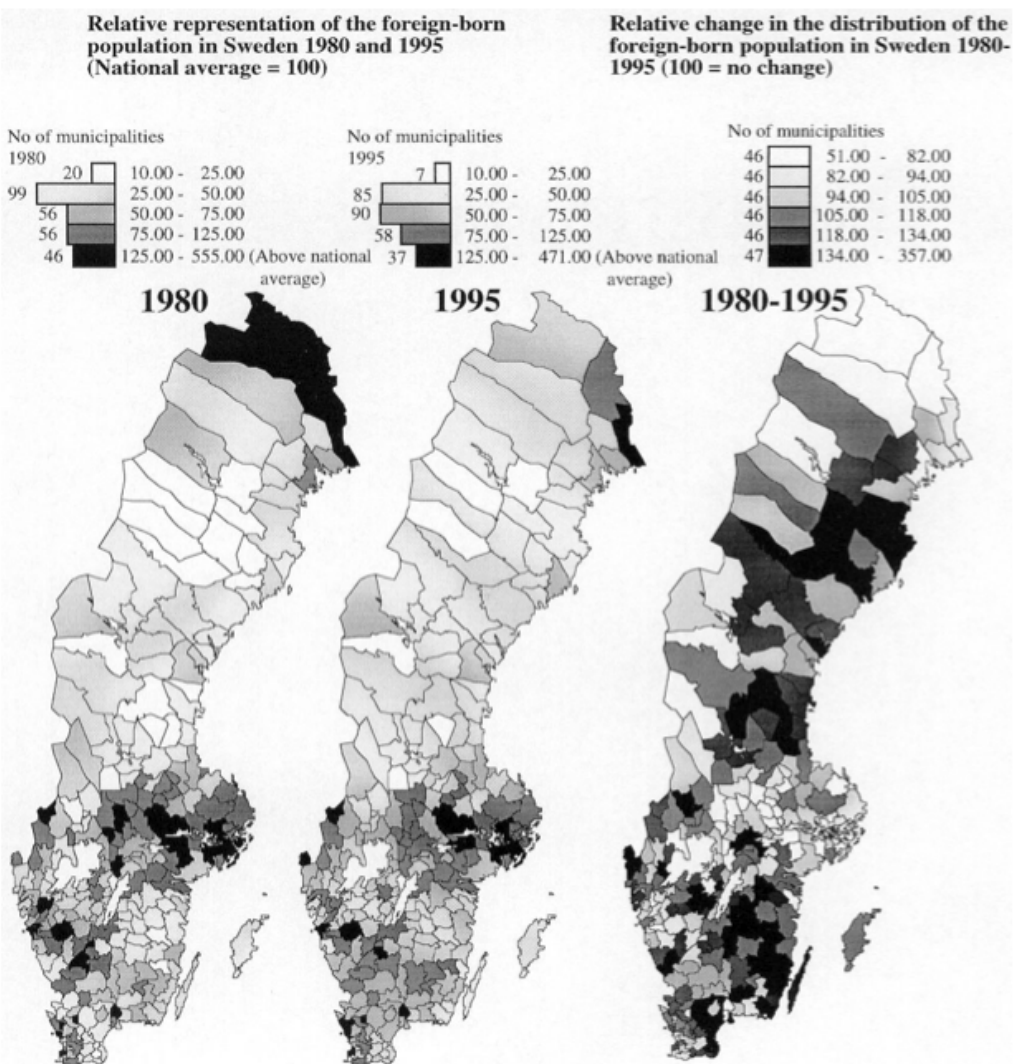


Figure 8. Relative representation in Swedish municipalities of the foreign-born population 1980 and 1995, and the relative change per municipality 1980 to 1995 (Andersson 1998: 402).

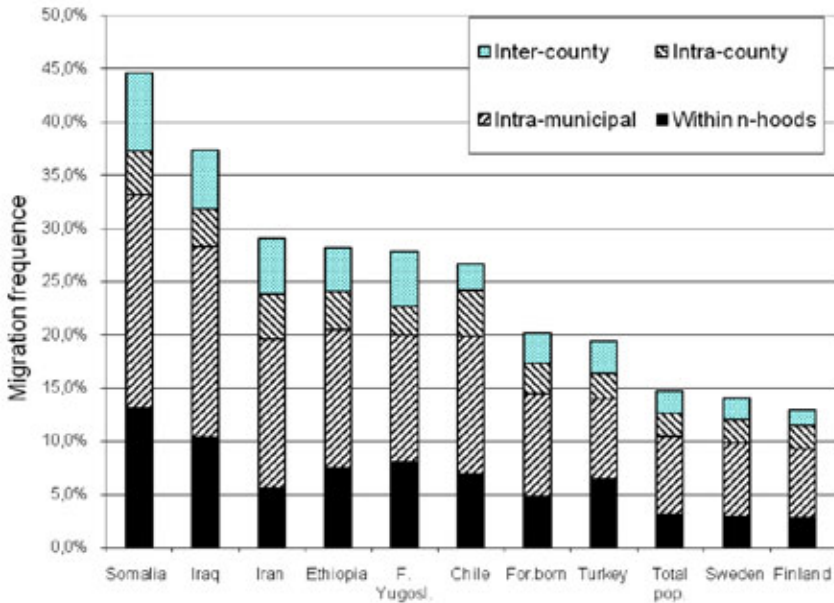


Figure 9. Annual migration frequencies for a selection of foreign-born categories in Sweden, 1998 (Andersson 2000).

We will now focus on the more recent development, 2000 to 2008. The overall question is of course whether or not dispersal has continued; has the own housing option introduced in 1994 led to geographical concentration to already immigrant-dense regions and municipalities?

In terms of absolute numbers in 2008, Stockholm municipality had 170,000 foreign-born residents, Gothenburg 106,000, Malmö 82,000, Uppsala 30,000 and Botkyrka in the southern part of the Stockholm region had 28,000. These are followed by Södertälje, Lund, Västerås, Hudinge and Örebro, all having 18-25,000 foreign-born. Of these ten, Uppsala has the lowest share of immigrants (14.8 per cent) while Botkyrka has the highest (35.7 per cent). Of the three biggest municipalities, Malmö has 29 per cent, followed by Gothenburg and Stockholm (both 21 per cent). The relative growth of foreign-born in these municipalities 2000-2008 ranges between 22 per cent in Botkyrka and 36 per cent in Malmö, to be compared with the overall national growth of 27 per cent (+269,000). This

means that although these ten municipalities (having the largest absolute number of immigrants) have increased their number of foreign-born from 436,000 to 531,000 in eight years, their share of all foreign-born in Sweden declined from 43.5 per cent to 41.7 per cent. In other words: the relative growth of Sweden's foreign-born population was faster outside of the largest concentrations. Table 27 charts the overall development based on data on Sweden's 290 municipalities (289 in the table; one municipality was split into two in 2003).

19 municipalities had an above average share of immigrants in 2008 and experienced an above average rate of increase of foreign-born inhabitants 2000 to 2008. Eight of these are in the South (Skåne, Malmö included), four are in the Stockholm region (not Stockholm itself) and one is in the Gothenburg region. None is north of Örebro. Only five out of 289 experienced decreasing numbers of foreign-born, all of them small and their combined loss were less than 300 immigrants.

Table 27. Number of municipalities below/above national average for immigrant density 2008, and their trajectory of change with respect to immigrant growth 2000 to 2008 (Geosweden).

Municipalities/ Proportion of immigrants 2008	Municipalities/type of change 2000-2008			Total	Share of total population	Share of the foreign- born	Change For.-born 00-08
	Decreasing	Increasing below average rate (27%)	Increasing above average rate (27%)				
Above national mean (13.8%)	2	30	19	51	41.8	61.9	158827
Below national mean	3	97	138	238	58.2	38.1	110306
Total	5	127	157	289	100.0	100.0	269133
Share of total population	0.4	54.0	45.6	100.0			
Share of foreign-born	0.4	57.6	42.0	100.0			
Change for.-born 00-08	-277	123657	145753	269133			

Figure 10 shows the distribution across municipalities (left) and the relative change 2000-2008 (right). First of all, 35 municipalities have a proportion foreign-born exceeding 16 per cent (national average was 13.8 per cent in 2008). Beside some border municipalities (along the

Norwegian and Finnish borders) we find concentrations also in regions that experienced labour migration in the 1950s and 1960s, such as Västerås, Eskilstuna and Olofström. However, most of these 35 are found in the three metropolitan regions, Stockholm, Gothenburg and Malmö.

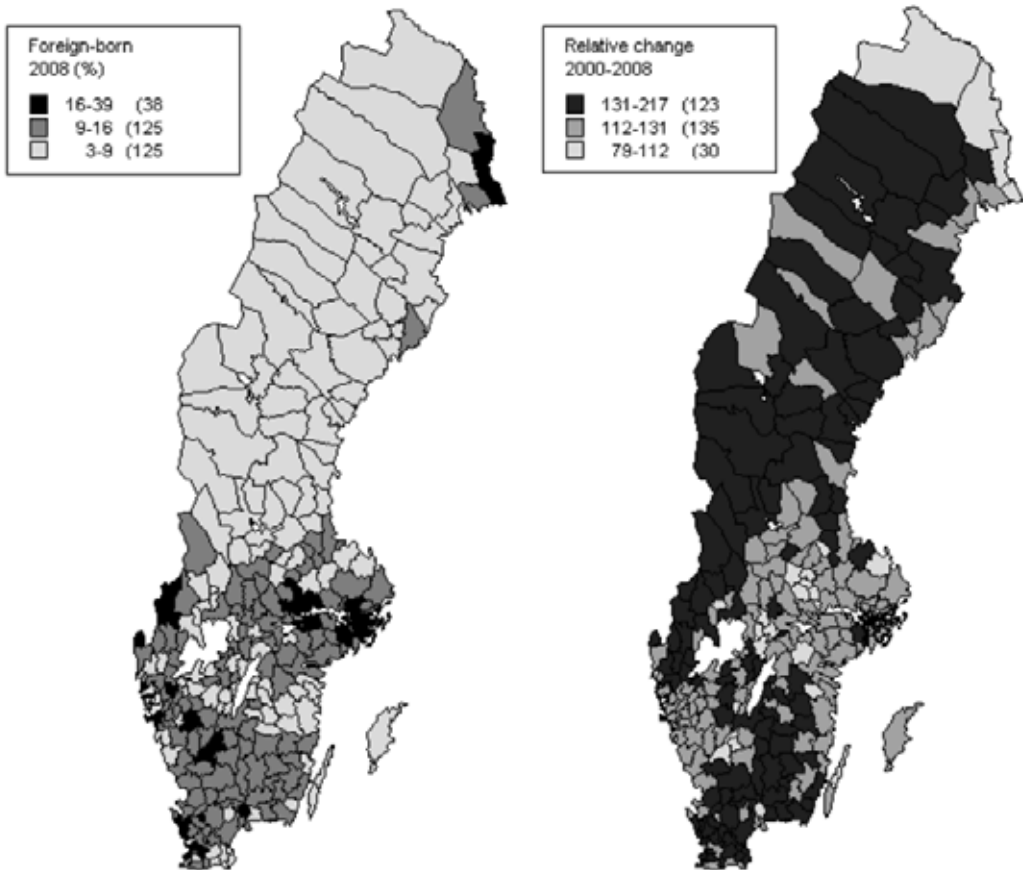


Figure 10. The per centage foreign-born in Sweden's municipalities, 2008, and relative change 2000-2008 (Index, 2000=100) (Geosweden).

Table 28. Population numbers and population change according to country of birth and municipality types 2000 to 2008 (Geosweden database).

Country of Birth	Population	Metropolitan municipalities	Suburban municipalities	Large cities	Commuter municipalities	Sparsely populated municipalities	Manufacturing municipalities	Other municipalities, more than 25,000 inh.	Other municipalities, 12,500-25,000 inh.	Other municipalities, less than 12,500 inh.	Total
Born in Sweden	Stock in 2000	1189625	1148888	2175620	512568	302201	538287	1144644	600756	253487	7866076
	Left the stock*	132061	83890	197507	44901	35679	54059	114141	63624	28056	753918
	Entered the stock**	151306	161557	226683	57211	21560	48215	104482	49324	19414	839752
	Stock in 2008	1208870	1226555	2204796	524878	288082	532443	1134985	586456	244845	7951910
	Net change	19245	77667	29176	12310	-14119	-5844	-9659	-14300	-8642	85834
	Relative change***	1.6	6.8	1.3	2.4	-4.7	-1.1	-0.8	-2.4	-3.4	1.1
Born in Western countries	Stock in 2000	85542	82003	92909	22204	10041	24707	41966	25203	15599	400174
	Left the stock	21941	15720	17666	3784	2153	4162	7316	4323	3227	80292
	Entered the stock	30087	15429	22216	5714	3780	6413	9574	6402	5129	104744
	Stock in 2008	93688	81712	97459	24134	11668	26958	44224	27282	17501	424626
	Net change	8146	-291	4550	1930	1627	2251	2258	2079	1902	24452
	Relative change	9.5	-0.4	4.9	8.7	16.2	9.1	5.4	8.2	12.2	6.1
Born in Eastern European countries	Stock in 2000	72633	33966	62673	10404	1375	19346	26189	9871	3109	239566
	Left the stock	9258	4184	6712	954	104	1421	2318	857	268	26076
	Entered the stock	22558	16639	18869	4785	1550	6489	8136	4426	1347	84799
	Stock in 2008	85933	46421	74830	14235	2821	24414	32007	13440	4188	298289
	Net change	13300	12455	12157	3831	1446	5068	5818	3569	1079	58723
	Relative change	18.3	36.7	19.4	36.8	105.2	26.2	22.2	36.2	34.7	24.5
Born in Asia with Turkey, Africa, Latin America	Stock in 2000	129103	72849	101093	10456	2741	10593	24758	8864	2828	363285
	Left the stock	15913	7430	9394	947	203	731	1933	649	222	37422
	Entered the stock	64911	33986	71200	7876	3448	8579	21524	8990	2968	223482
	Stock in 2008	178101	99405	162899	17385	5986	18441	44349	17205	5574	549345
	Net change	48998	26556	61806	6929	3245	7848	19591	8341	2746	186060
	Relative change	38.0	36.5	61.1	66.3	118.4	74.1	79.1	94.1	97.1	51.2
Total population	Stock in 2000	1476903	1337706	2432295	555632	316358	592933	1237557	644694	275023	8869101
	Left the stock	179173	111224	231279	50586	38139	60373	125708	69453	31773	897708
	Entered the stock	268862	227611	338968	75586	30338	69696	143716	69142	28858	1252777
	Stock in 2008	1566592	1454093	2539984	580632	308557	602256	1255565	644383	272108	9224170
	Net change	89689	116387	107689	25000	-7801	9323	18008	-311	-2915	355069
	Relative change	6.1	8.7	4.4	4.5	-2.5	1.6	1.5	0.0	-1.1	4.0

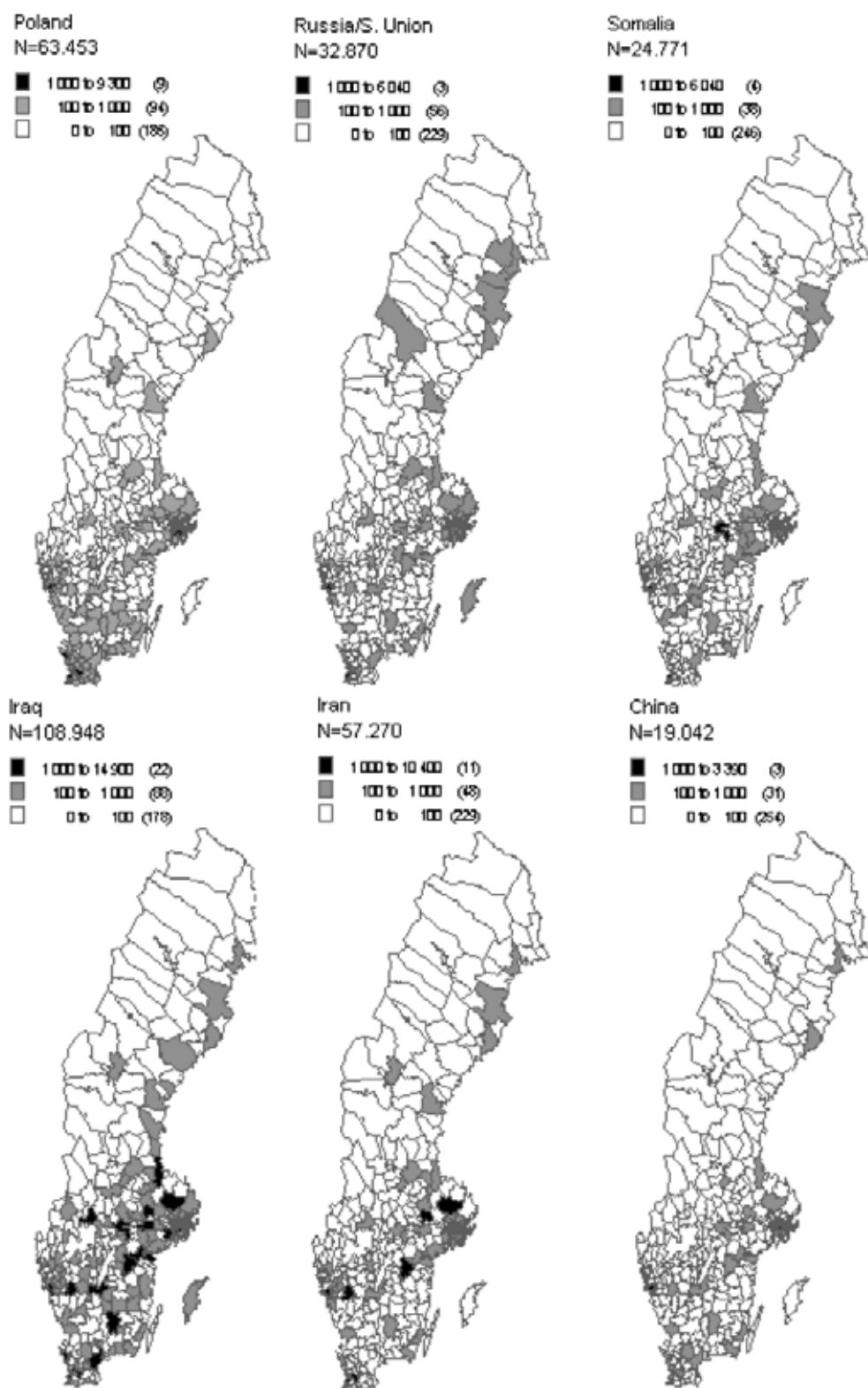


Figure 11. The relative distribution of six nationalities, 2008 (Geosweden database).

Secondly, many more municipalities, 125, have a proportion foreign-born clearly below the national average. These are predominantly small, rural municipalities in the northern part of Sweden.

The map showing relative change 2000-2008 tells an interesting story. It seems like many of these small, rural municipalities have continued having a rather fast expansion of immigrants. This message is corroborated by table 28, showing population change according to country origin and type of municipality. People born in Sweden is the only category decreasing in sparsely populated municipalities, while those born in Eastern Europe (many with Bosnian and Russian origin) and countries outside of Europe more than double their numbers during this rather short period of time. The increase is from low levels and it can only compensate for about half the loss of native Swedes.

The vast majority of new immigrants persistently end up in the three metropolitan regions and in the larger cities. Immigrants comprise about 75 per cent of the total population increase in these two municipality types. Suburban municipalities mostly expand due to relocation of native Swedes.

The national geographical distribution for six different minority categories is shown in figure 11. All tend to be relatively strongly concentrated to larger cities in the southern part of Sweden. The Iraqi is most numerous and they comprise 108,000. 22 municipalities have more than 1,000 Iraqi residents; 15,000 lives in Stockholm city, 9,800 in Gothenburg, 8,600 in Malmö and 6,000 in Södertälje (in the south western part of the Stockholm region). More than half (53 per cent) of all Iraqi are found in the ten most Iraqi-dense municipalities.

The next biggest category of these six is the Poles (63,000). They are slightly more dispersed so that the ten largest municipality concentrations of Poles account for 48 per cent of all.

Like other Eastern European groups, the Poles are well represented in the south (Malmö, Helsingborg and Lund). Stockholm is however the largest concentration (9,300 Poles). The Iranians counted to 57,000 in 2008. About 10,400 reside in Gothenburg and 9,700 in Stockholm, followed by Uppsala (3,300) and Malmö (3,100). The top ten Iranian-dense municipalities account for 60 per cent of all Iranians. The Somali population (about 25,000) is the most concentrated one. Four municipalities have more than 1,000 Somali-born people (Stockholm 6,000, Gothenburg 3,400, Malmö and Örebro 1,100 each). 62 per cent of all Somali are found in the top ten municipalities. The Russians (about 33,000) differ from all other categories mapped here in the sense that they are fairly well dispersed over the country. The top ten Russian-dense municipalities account for 42 per cent of all Russians. This is a female-dominated category and many are married to or cohabit with Swedish men in the northern part of Sweden. Finally, the Chinese (19,000) are mostly found in the main urban areas; Stockholm has 3,400, Gothenburg 2,200, and Solna (in the Stockholm region) 1,100. 56 per cent of all Chinese-born people are found in the top ten Chinese-dense municipalities.

5.4. Residential patterns in the capital region

We will end this section on Sweden by presenting some key data on residential segregation in the capital region. It should be said that the patterns and processes analyzed for Stockholm are rather similar also in other large cities in Sweden. In fact, a recent publication by Statistics Sweden concludes that “an analysis of all 72 labour market regions in Sweden shows that there are not one single region that could be identified as a good example in terms of housing careers for refugees being granted permission to stay on asy-

lum grounds.” (Statistics Sweden 2008b: 55) It is of course far from all immigrants that live in Sweden for such reasons (asylum) but the finding is indicative of the problems facing a substantial part of the immigrant population.

What makes segregation partly different in Stockholm is on the one hand the scale and complexity and on the other hand the administrative fragmentation that characterizes a large city region. The Stockholm labour market region has 25 independent municipalities, all with different socioeconomic compositions, different housing

markets and their own housing policy agenda. A profound lack of administrative coordination across the region is one obstacle for reversing segregation processes. We will define the region here as the county of Stockholm. The city itself (core municipality) is far too integrated with surrounding areas to be studied as an isolated phenomenon. This is particularly true when it comes to analyses of housing and labour market developments. We could choose the labour market region but this is a bit too mechanical to be fully suitable in this case. We argue that the

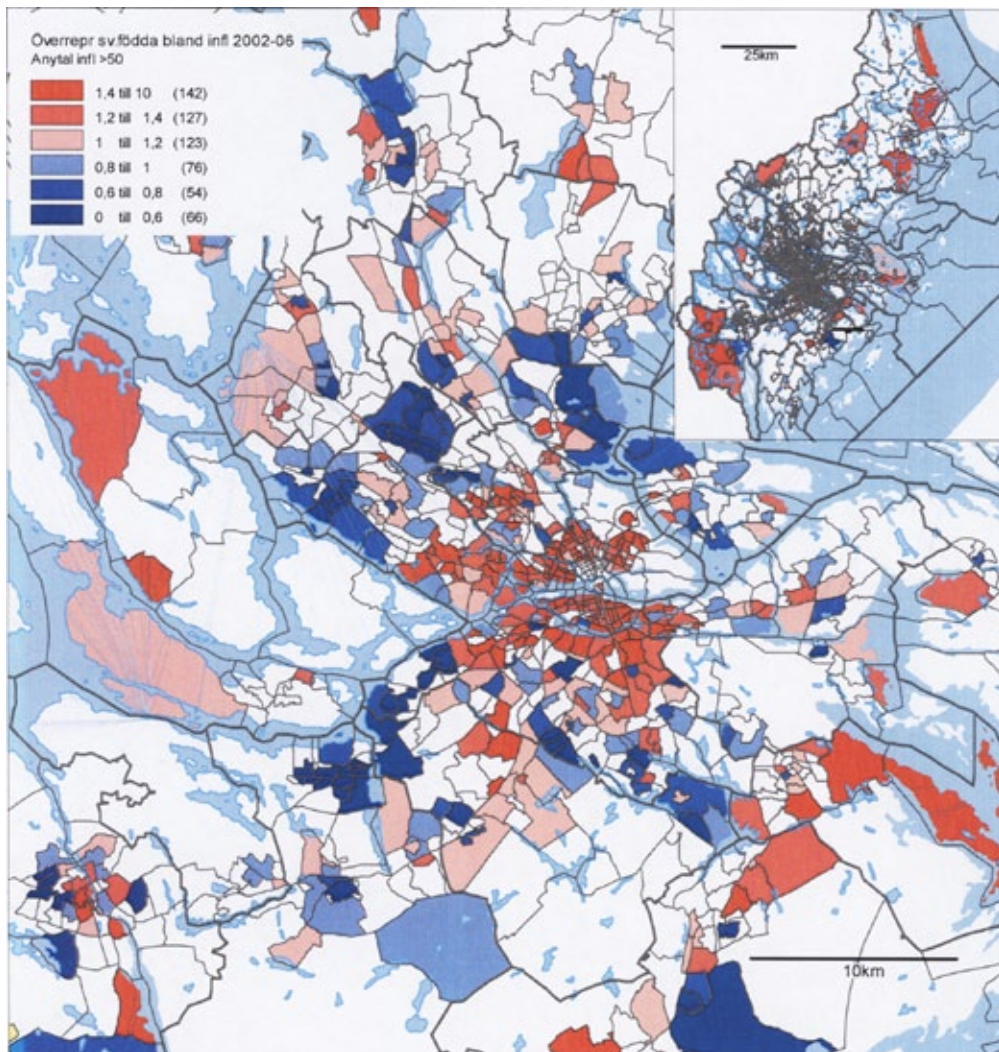


Figure 12. The distribution of Swedish-born in-movers to the Stockholm region 2003-2006 relative to foreign-born in-movers (Geosweden).

present delimitation of the Stockholm LM region includes municipalities (west and north of Uppsala) which are not functionally integrated into the Stockholm housing market.

We will focus on four key aspects of segregation in Stockholm County. Firstly, we will show that the basic geographical pattern is very stable over time and secondly that immigrant-dense neighbourhoods are economically poor. Thirdly, we will demonstrate that ethnic specific differences in geographical distributions between groups can be understood in terms of an

ethnic –some would argue race-based- hierarchy, i.e. that categories living more at distance from the native Swedes, i.e. living in economically poor neighbourhoods, tend to be “visible minority” refugees from the Middle East and Africa. Fourthly, we will emphasize that despite the fact that immigrant-dense areas are reproduced over time, they are indeed also highly dynamic places. Stable patterns do not mean that individuals remain for longer periods of time in the same neighbourhood.

In 2008, 20.1 per cent (397,000 out of

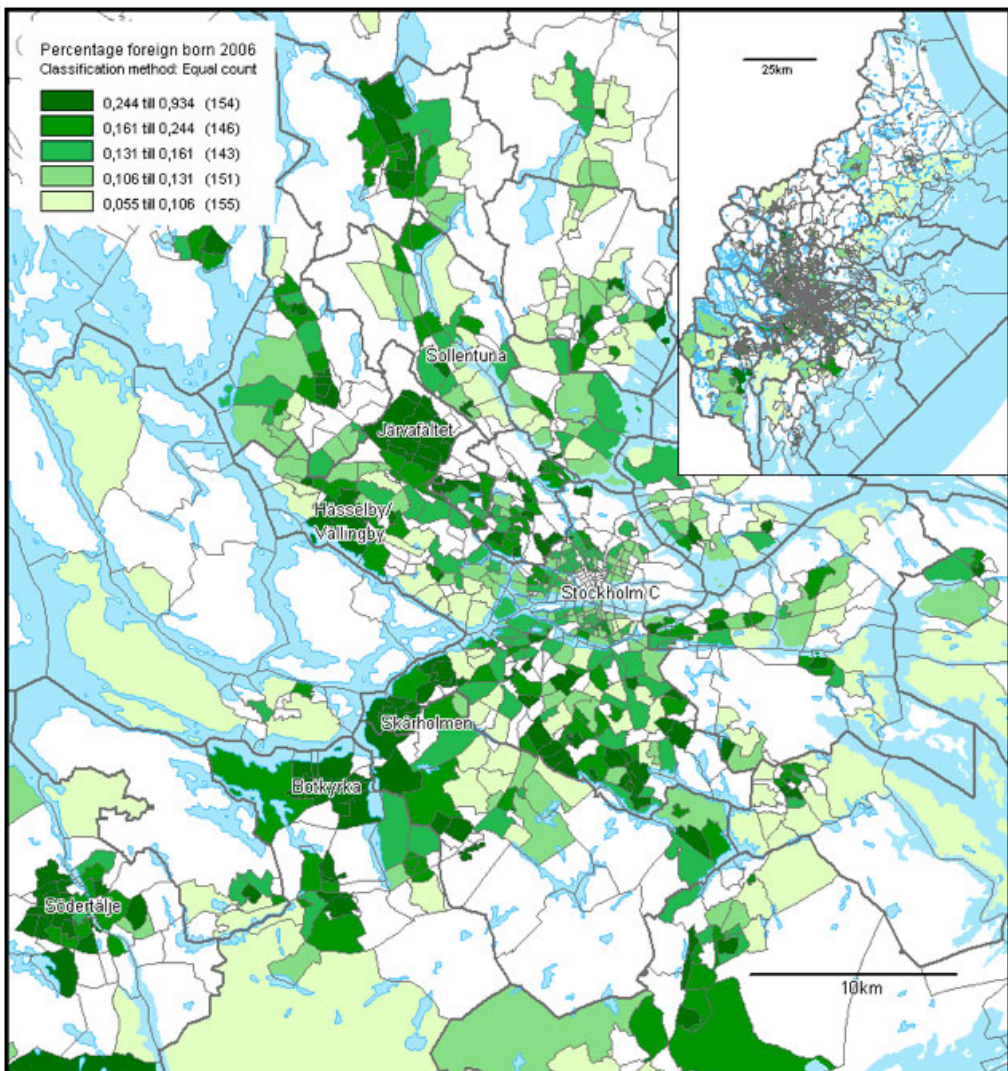


Figure 13. The per centage of foreign-born in Stockholm County neighbourhoods in 2006 (quintile distribution) (Andersson, Amcoff and Niedomysl 2008)

1,974,000) of all residents in Stockholm county were foreign-born. However, 160 of all 879 neighbourhoods have an immigrant proportion exceeding 25 per cent. There are also quite many, 39 to be precise, having an absolute majority of immigrant residents. These 39 areas have 120,000 people, out of which 70,000 are foreign-born. Most of the remaining 50,000 are Sweden-born having one or two foreign-born parents. Clearly, many immigrants live clustered among other immigrants and at a distance from native Swedes in the region.

Let us start this overview by focusing on one of the most decisive factors sustaining and reinforcing ethnic residential segregation in the capital region, patterns of in-migration. Figure 12 shows over- and underrepresentation of Sweden-

born in-migrants per neighbourhood in relation to foreign-born in-migrants. Areas coloured in red have over-representation of in-migrants with Swedish background while blue areas are more common destinations for immigrants. The two categories have a similar size during the 2003 to 2006 period, 70,000 to 75,000 in-moving people. It is clearly the case that immigrant newcomers are over-represented in some of the suburban parts, i.e. in the areas already having a substantial presence of earlier arrived immigrants. The native Swedes, on the other hand, dominate immigration to the core areas of the region.

Figure 13 shows the population composition of neighbourhoods in 2006. The overlap between the two maps is obvious. Newly arrived immigrants tend to move into already im-

Table 29. Tenure composition of Stockholm County neighbourhoods according to immigrant density, 2008 (Geosweden database).

Percent foreign-born in n'hood	Tenure 2008					Total	(N)
	Home ownership	Coop. housing	Public rental	Private rental	Other		
0-5%	94	3	0	1	2	100	5102
5-10%	89	8	1	2	0	100	283892
10-20%	36	37	10	17	0	100	1002002
20-30%	15	36	30	18	0	100	268298
30-40%	11	26	43	21	0	100	111708
40-50%	9	21	43	27	0	100	101597
50-100%	3	15	50	32	0	100	113248
Total	36	29	18	16	0	100	1885847

Table 30. Work income composition of Stockholm County neighbourhoods according to immigrant density, 2008 (Geosweden database).

Percent foreign-born in n'hood	Work income decile 2008									Total
	1-2	3	4	5	6	7	8	9	10	
0-5%	17	12	11	11	9	9	9	10	12	100
5-10%	13	8	8	7	7	8	10	13	25	100
10-20%	16	9	8	7	7	9	10	13	20	100
20-30%	21	10	10	9	9	10	10	10	10	100
30-40%	27	12	11	10	9	9	8	8	5	100
40-50%	32	14	11	9	8	8	7	6	5	100
50-100%	43	15	11	9	7	6	5	4	2	100
Total	19	10	9	8	8	9	10	11	17	100

migrant-dense neighbourhoods, reproducing and reinforcing residential segregation. So what characterizes these neighbourhoods, except from the absence of native Swedes?

Well, most of them were built in the 1960s and 1970s, many as part of the so-called Million Homes Program. They are predominantly but not exclusively public housing neighbourhoods and they were early on inhabited by working class people moving into to these modern dwellings from other parts of Stockholm, or other parts of Sweden, or from abroad. It can be estimated that they had an above average share of (labour) immigrants from the outset but of course nothing close to the proportion they step by step accumulated during the 1980s. In most cases, their position as immigrant-dense neighbourhoods was achieved already in the 1990s. Hence, rather few have been added to the list over the past decade. Table 29 shows the distribution of tenure forms for areas having different proportions of foreign-born. Table 30 shows the decile income distribution using the same neighbourhood classification. It is obvious that Swedish-dense neighbourhoods in terms of tenure almost entirely comprise home ownership and very seldom public rental hous-

ing. Neighbourhoods with a high proportion of foreign-born are heavily dominated by low income people; 43 per cent of all inhabitants in immigrant majority neighbourhoods belong the lowest income quintile (20 per cent poorest). It should however be noted that the poor immigrant-dense neighbourhoods do have some high income residents. They are thus socially mixed but it is a mix that is clearly skewed towards the bottom of the income ladder.

Figure 11 shows the number of foreign-born per neighbourhood category broken down by nationalities (based on country of birth). Studies have repeatedly shown that all Swedish cities have a distinct -and similar- ethnic hierarchy, meaning that different immigrant categories live more or less segregated from the majority Swedes. According to figure 14, more than half of all immigrants from sub-Saharan Africa and from Western Asia reside in the most immigrant-dense neighbourhoods. Other immigrants, for instance those from Eastern Asia and Latin America, are less concentrated to these areas (30 to 40 per cent live in immigrant-dense neighbourhoods). Finally, immigrants from Nordic countries and other Western countries are even less

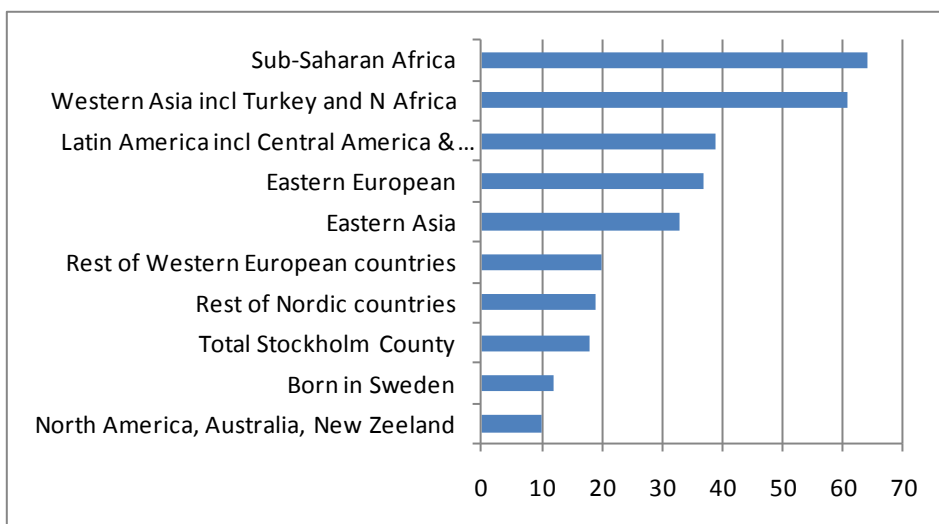


Figure 14. Per cent per nationality (country of birth) residing in Stockholm County neighbourhoods having 30 per cent immigrants or more, 2008 (Geosweden database).

concentrated to these areas (10 to 20 per cent). Table 31 shows the ethnic hierarchy measured as index of dissimilarity (each category is compared to the Sweden-born population). This hierarchy is very stable over time but the overall tendency is decreasing levels of segregation for all but more recently arrived nationalities.

Levels of mobility are high in many parts of the Stockholm region. In general, levels are higher in rental housing (often around 15 per cent annually), followed by cooperative housing (around 11 per cent) and they are lowest in home ownership (below 8 per cent). The uneven proportion of these tenure forms result in geographical variation in turnover rates so that areas having almost entirely rental housing will experience a high turnover rate. It has furthermore been shown (see section 5.3) that immi-

Table 31. Index of Dissimilarity according to country of birth in 2000 and 2008 for Stockholm County (Geosweden database).

Country of birth	2000	2008
Somalia	0,80	0,78
Syria	0,73	0,68
Turkey	0,67	0,64
Iraq	0,65	0,65
Lebanon	0,65	0,58
Bosnia-Herzegovina	0,64	0,55
Ethiopia	0,62	0,61
Chile	0,51	0,46
Greece	0,50	0,46
Iran	0,50	0,42
China and Taiwan	0,48	0,43
Russia and Soviet Union	0,48	0,37
Rest of Africa	0,46	0,47
Poland	0,28	0,36
USA	0,27	0,26
Estonia	0,26	0,26
UK	0,23	0,21
Finland	0,22	0,22
Denmark	0,19	0,20
Germany	0,16	0,17
Norway	0,16	0,16

*Stockholm County comprises about 900 neighbourhoods (SAMS). SAMS units in this region have an average population of around 2000 people.

grants, especially during some years after having immigrated, have a clearly higher level of geographical mobility compared to the native population. We can therefore expect rental dominated housing estates comprising a high proportion of relatively recent immigrants to show very high turnover rates. This is also the case. Table 32 shows that about 45 per cent of all people moving in to eight immigrant-dense areas in Stockholm 1999 to 2002 (four years) have left the area in 2006. Some of those who left their area moved to one of the other seven areas listed in the table, i.e. they will still be in an immigrant-dense area. However, most of the movers have found other types of destinations in the region.

The immigrant-dense areas can be characterised as stable if we measure the proportion of immigrants in them over time. They are however very dynamic places seen from the perspective of individual residents. Although it is possible to find many who lack alternatives on the very tight Stockholm housing market, and therefore are more or less stuck in a particular housing estate, the typical pattern is that people do find their way out of the areas. It has been shown elsewhere (Andersson and BråmÅ 2004) that this process is highly selective and that immigrant-dense areas lose over time their more successful residents, including immigrants having spent many years in Sweden, while they constantly attract new recently arrived refugee migrants. The difference in labour market participation rates between out-movers and in-movers is very big, often around 30 per centage points.

6. Conclusions

Sweden has a rather long history of welfare policies, where the state traditionally has been involved in people's life from cradle to grave. Already in the beginning of the 1930s the first political steps towards a welfare approach were

Table 32. All individuals moving into eight major immigrant-dense areas in Stockholm 1999 to 2002. Where do they live in 2006? (Geosweden database).

	Remained in 2006	Moved to another immigr.-dense area in Stockh.	Other area in Stockholm county	Other part of Sweden	Moved abroad	Died	Total	Numbers
Main immigrant concentration areas								
Järva	60.2	7.4	18.1	6.1	7.8	0.4	100.0	12.700
E4 Syd	57.8	6.0	23.4	7.3	4.9	0.5	100.0	6.000
Immigrant-dense Södertälje	60.8	2.4	22.7	9.2	4.1	0.7	100.0	4.800
Immigrant-dense Botkyrka	55.4	7.5	24.8	6.3	5.6	0.3	100.0	5.200
Hässelby area	45.7	8.1	31.8	10.0	3.8	0.7	100.0	3.200
Rågsved area	47.4	7.2	31.7	9.5	3.8	0.4	100.0	2.800
Hallonbergen area	46.4	4.1	29.6	13.4	6.1	0.4	100.0	1.700
Immigrant-dense Solna	34.5	4.5	37.1	15.4	8.4	0.2	100.0	1.200
Total eight areas	55.6	6.4	23.8	7.9	5.9	0.5	100.0	37.500

taken. The fundamental pillar of the welfare state is employment and the norm is a dual earner household. The state is obliged to step in with economic compensation, when a citizen is unable to work (in case of sickness, child care, unemployment and retirement). The Swedish welfare system was from the beginning both generous and universal. Over time this model has been questioned both from economical and ideological points of view. In times with a harsher economic climate, with high unemployment rates and in the context of a globalized economy, a generous and universal welfare state has obviously been harder to maintain politically. In the liberal/conservative ideology a universal and generous welfare state is thought to create disincentives to employment. Sweden has also changed from being an emigration country to an immigration country. A large influx of refugees could also challenge the rhetorical logic of a universal welfare state.

Over the last decades Sweden has experienced an increased polarisation in incomes and an even more pronounced polarisation between richer and poorer housing estates in metropolitan regions (Andersson, Bråmås, Holmqvist 2010). Unemployment rates are substantially higher today compared to 20 years ago and the dependent ratio is also increasing. The welfare state still has a major impact on the risk for people to avoid

poverty, but some household types have higher risk, as single parents, young and immigrants.

Today, the welfare system is less generous and not as universal as it used to be. The biggest changes are to be found in relation to housing. Housing has always been primarily a market good, but the state earlier used correctives and spent tax money in order to make it relatively affordable and accessible to most households irrespective of income. Rhetorically, the State also declared a social mix ambition to decrease housing segregation. The housing market has been deregulated step by step from the 1980s onwards and the state correctives have become fewer and weaker. Housing subsidies, state loans and other policies influencing new construction have been abolished. The public housing sector is competing on the same terms as the private sector and housing allowances are given to fewer households and are less generous. The soft rent regulation system where public rental companies have a key role is now undergoing changes and will most probably lead up to market rents in the future. New construction is mainly targeting the owner segment of the market and the rental sector (both the public and private) is decreasing in size. The housing outcomes are further housing segmentation and increasing or at best non-changing levels of residential segregation.

We have analyzed immigration and integra-

tion policy since World War II and we identify some important moments when changes have been more profound. Due to the fact that Sweden was not directly involved in the war activities, the country played a role for giving refugees from the neighbouring countries a safe haven. After the war, the country's export oriented firms saw rapidly increasing demand for their products and needed more labour than was available within the country's borders. The labour immigration period therefore started almost immediately after the war and it continued until around 1970. Since then most of the immigrants have been granted permission to stay on refugee or humanitarian grounds (and family ties), and most of those arriving have had their origin outside of Europe. Sweden has recently taken steps to open up also for non-European labour migrants.

In terms of integration policy, the 1970s were formative. In 1975, multiculturalism was established as a core value for the State's view on immigrants in Sweden. Immigrants were granted the rights to take part in local elections, their cultural organizations were given State and municipal economic support, immigrant school children were entitled to get education in their mother tongue etc. About ten years later, in 1986, an important modification or clarification was done in relation to one component of this multicultural policy, namely the "freedom of choice" component. It was then declared that some core "Swedish" (universal) rights -for women and children- could not to be compromised with reference to cultural or religious differences. However, Sweden has yet not embarked on an assimilation policy route and the country has so far had a relatively generous attitude towards immigration and immigrants' rights. According to the European Migrant Integration Policy Index (MIPEX), Sweden ranks at the top among 28 countries when summarizing over 100 different policy indicators (see Migrant integration... 2010). Surveys aiming at

studying national differences in attitudes on immigration and immigrants also show that Swedes are the most pro-immigrant country in Europe (See European Social Survey 2010).

There are currently (Sept. 30, 2010) 1 357,000 foreign-born individuals living in Sweden (14.4 per cent of the total population, 9.4 Million). Most of these are well integrated in Swedish society and make important contributions to the Swedish economy and to social and cultural life in general. However, integration problems are also a reality: many, especially those having arrived during the past 25 years from non-European countries, have subordinate positions on the labour and housing markets. The efficiency of the introductory programme (including the SFI, Swedish for immigrants) has been questioned since the 1980s and many institutional reforms have been launched in order to make integration faster and better; still without much result.

The chapter on settlement patterns shows that immigrants in Sweden -like in other countries- have a much more urban oriented settlement pattern in comparison with the native-born population. The tendency is however that the rapid relative growth of the immigrant population over the past three decades affects most parts of the country. The relative growth is fastest outside of the metropolitan regions. This is not only an effect of the refugee dispersal policy launched in 1984. The trend continues also after the important reform of this policy in 1994, when the "own housing option" (EBO) was introduced.

Ethnic residential segregation is a salient feature of all larger Swedish cities. Larger cities normally comprise more than 15 per cent foreign-born and more than every fifth resident has a foreign background. Many neighbourhoods in these cities have a much higher proportion of immigrants and sometimes, like in Stockholm, Gothenburg and Malmö, several housing estates have a majority of immigrant residents.

Schools in these areas have subsequently few native Swedish-speaking pupils.

Ethnic residential segregation is also something that has attracted much political and research interest over the past 20 to 30 years. Different policy measures have been launched in order to aim at a more regionally balanced situation concerning immigrants' (in particular refugees') settlement and also to improve the social situation in the immigrant-dense neighbourhoods. Both the refugee dispersal policy and the Metropolitan development initiative were introduced as means that were thought to be able to affect ethnic segregation in metropolitan areas. Neither has been successful in the sense that the level of segregation has decreased in any noticeable way.

We have pointed out some key features of the ethnic residential segregation in Stockholm County. Firstly, that the basic geographical pattern is very stable over time and secondly that immigrant-dense neighbourhoods are economically poor. Thirdly, we have demonstrated that ethnic specific differences in geographical distributions between groups can be understood in terms of an ethnic -some would argue race-based- hierarchy, i.e. that categories living more at distance from the native Swedes and also are living in economically poor neighbourhoods, tend to be "visible minority" refugees from the Middle East and Africa. Fourthly, we have emphasized that despite the fact that immigrant-dense areas are reproduced over time, they are indeed also highly dynamic places. Stable patterns do not mean that individuals remain for longer periods of time in the same neighbourhood.

In the next step of this research project we will focus much more in detail on all these four aspects. We will study housing careers and neighbourhood dynamics and compare the developments in Stockholm with those in Copenhagen, Helsinki and Oslo. Hopefully, we will be able to see both similarities and differences and to bet-

ter understand the particularities of each city and country, i.e. the importance of the different housing systems and integration policies for shaping and re-shaping residential segregation.

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Contextualising ethnic residential segregation in Denmark: welfare, housing and immigration

*Hans Skifter Andersen
Danish Building Research Institute, Aalborg University*

Country report for Denmark

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*Hans Skifter Andersen
Danish Building Research Institute, Aalborg University*

1. The Danish welfare State

Like the other Nordic countries Denmark can be characterised as a welfare state. There is wide theoretical and political agreement over the fact that the Nordic Welfare Model exists (see Nordic welfare... 2010) and in many fundamental ways differs from other welfare models (Castles 2004). The main features of the NWM are the following ones:

- a. Comprehensiveness of social policy: encompassing social security, social and health care services, education, housing, employment etc.
- b. Strong state involvement and extensive public responsibility in different social policy areas.
- c. High degree of universalism: all pay and all benefit.
- d. High degree of de-commodification and de-familisation through social policies.
- e. Well-established gender equality policies basing on state feminism.
- f. High level of social service provision: the notion of 'public social services state'.
- g. Social rights basing on citizenship.
- h. Uniformity of service provision: middle and upper classes use same services as others.
- i. Municipalities responsible for providing services and partly also financing them.
- j. Benefits are largely tax financed.
- k. Strong political and popular support to the NWM and universalism in particular.
- l. Active labour market policy.

Due to these and other features social rights of citizens are more extensive in the Nordic welfare societies than in other countries; and, the NWM decommodifies labour power and promotes gender equality more effectively than most other models. It has succeeded in distributing resources between rich and poor so that only a small minority of residents in these countries lives in poverty. There are less children and solo mothers living in poverty than in other countries. The NWM has created opportunities for women to act as both paid workers and carers by reconciling work and family responsibilities. Many economists have shown that high social expenditure and the high level of taxation closely attached to the model has not been an obstacle to economic growth and competitiveness in the global economy. There is also some evidence that the NWM promotes active citizenship in terms of political and social participation not to speak of labour market participation of both men and women. Finally, the NWM has proved to be fairly stable in spite of periods of economic recession and high unemployment (e.g. Kautto et al. 1999; Kautto et al. 2001).

Universalism, tax financing and strong popular and political support seems to strengthen each other. Universalism as an ideal and principle of redistribution has been important both for social democracy (cross-class solidarity) and women's movement (gender equality) in smoothening economic inequalities and creating equal opportunities. It has also favoured regional equality, which explains strong support given to universalism by Agrarian and Centre parties.

1.1. Income inequality and poverty

A comparison of welfare payments in the Scandinavian countries in 2002 (Bonke et al. 2005) showed that Danish welfare payments have been somewhat more generous than in Norway and Sweden. Especially because of the relative high income transfers and the general character of these transfers income inequality is lower in Denmark than in most other countries. Measured among the total population Denmark has the lowest Gini coefficient after taxes and transfers among the Nordic countries (according to OECD 2010). When comparing incomes among the working age population 18-65 years, Denmark does not differ much from the other countries. This point to that income transfers have a greater effect on the general income inequality in Denmark.

Table 1 shows figures on the development in incomes and income dispersion in Denmark

since the mid-1980s based on OECD figures. While the Gini coefficient for the total population before taxes and transfers has increased somewhat from 0.37 to 0.42, there has only been small changes in the coefficient for incomes after taxes and transfers, which is about 0.23. The coefficient is the same among the working age population, but this coefficient has increased a little since the 1980s. Among the retirement age population the effects of transfers are very high. While the coefficient before transfers and taxes is about 0.7, it is only 0.2 after taxes and transfers. There has only been small changes over the years.

There are different methods used to measure the poverty rate of a country. One is the persons with an income below 50 per cent of the median income are poor. In Table 2 is shown the figures for Denmark compared with the other Nordic countries calculated by OECD.

According to this measure 5.3 per cent of the

Table 1. The development in incomes and income dispersion in Denmark (OECD 2010).

Period		mid-80s	around 1990	mid-90s	around 2000	mid-2000s
Age	Income and population measures					
Total population	Real mean income 1)	164 597	174 901	179 968	189 519	200 130
	Real median income 1)	157 671	167 078	172 230	179 541	188 751
	Gini coefficient (after taxes and transfers)	0.22	0.23	0.21	0.23	0.23
	Gini coefficient (before taxes and transfers)	0.37	0.4	0.42	0.41	0.42
Working age population: 18 - 65	Real mean income 1)	175 889	186 769	192 719	202 745	213 348
	Real median income 1)	168 868	178 976	185 042	192 927	202 679
	Gini coefficient (after taxes and transfers)	0.21	0.21	0.21	0.22	0.23
	Gini coefficient (before taxes and transfers)	0.32	0.35	0.37	0.37	0.37
Retirement age population: above 65	Real mean income 1)	110 763	119 826	125 442	133 880	144 916
	Real median income 1)	96 811	105 451	111 586	116 552	126 393
	Gini coefficient (after taxes and transfers)	0.2	0.2	0.19	0.2	0.2
	Gini coefficient (before taxes and transfers)	0.7	0.71	0.71	0.7	0.68

1) DKK constant prices of mid 2000s.

Table 2. Poverty rate*) after taxes and transfers (OECD 2010).

	mid-80s	around 1990	mid-90s	around 2000	mid-2000s
Denmark	6	6.2	4.7	5.1	5.3
Finland	5.1		4.9	6.4	7.3
Norway	6.4		7.1	6.3	6.8
Sweden	3.3	3.6	3.7	5.3	5.3

*) 50 per cent of the current median income

Danish population is beyond the poverty line. The figure fell from mid-1980s to mid-1990s, but has increased in the last ten years. Compared to the other Nordic countries Denmark has, together with Sweden, the lowest poverty rate.

From 2004 welfare payments have been reduced for families on long term help. The total welfare support for a family, paid as welfare, housing allowances and others, must be below a certain limit called 'kontanthjælpsloftet'. If the limit is exceeded some of the support will be reduced. This change especially hits families who get housing allowances, which will be considerably reduced. Because of this the poverty rate must be expected to have increased in recent years.

1.2. Employment and unemployment

Denmark is one of the countries in the world with the highest labour market participation, mainly because of the high participation by women. But the growing number of older and retired people will reduce this in the future. In table 3 is shown the development in the proportion of Danes that are on the labour market compared with the other Nordic countries, the European Union and OECD.

More than half of the Danish population is on the labour market. This is at nearly the same level as the other Nordic countries, a little lower than Norway and Sweden but higher than the averages for EU and OECD.

Table 3. Total labour force as per cent of population (OECD 2010).

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Denmark	53.4	53.4	53	52.9	53.4	53.1	53.4	53	53.3
Finland	50.4	50.6	50.6	50.3	50	50.3	50.7	51	51.3
Norway	52.3	52.3	52.4	52	51.9	51.9	52.5	53.2	54.3
Sweden	49.8	50.2	50.2	50.2	50.2	51.2	51.4	52.9	53.1
European Union	48	47.9	47.8	48	48.2	48.7	48.6	48.8	49.1
OECD - Total	47.4	47.3	47.4	47.4	47.6	47.9	48.2	48.1	48.3

Table 4. Rate of Unemployment as per cent of Civilian Labour Force (OECD 2010).

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Denmark	4.6	4.8	4.8	5.6	5.7	5	4.1	4	3.4
Finland	9.8	9.1	9.1	9.1	8.8	8.4	7.7	6.9	6.4
Norway	3.5	3.6	3.9	4.5	4.5	4.6	3.5	2.5	2.6
Sweden	5.9	5.1	5.2	5.8	6.6	7.8	7.1	6.2	6.2
European Union	9.2	8.6	8.9	9	9.2	8.9	8.2	7.1	7
OECD - Total	6.1	6.2	6.8	6.9	6.8	6.6	6.1	5.6	5.9

There have not been substantial changes in the last ten years before 2008, but the recent economic crisis may have expelled someone from the labour market.

The unemployment rate among the labour force is quite low in Denmark compared with other countries (Table 4). In 2008 it was only 3.4 and only Norway had a lower unemployment. It has been falling from 2003 to 2008, but has increased somewhat in recent years due to the economic crisis.

1.3. Government spending and social expenditures

Denmark had a gross national income per capita on 37.000 \$ in 2008, which is one of the highest in the world. It is at the same level as Sweden and Finland but somewhat lower than Norway. But a large part of the national income is used as government expenditure, a large part of it as social expenditures. In table 5 is shown the development in GDP and government expenditures in Denmark and their level is compared with the other Nordic countries and OECD average.

Since 1980 GDP has increased in Denmark with more than 70 per cent. Government expenditures have had a little lower increase. Government expenditures constitute a little more than

half of GDP. The share increased from 1980 to 1995 but fell a little from 1995 to 2005. Social expenditures constitute 27 per cent of GDP. Only Sweden has higher social expenditures than Denmark while they are lower in Finland and especially in Norway.

2. Housing policy and housing market in Denmark

2.1. Denmark in the Nordic context

Bengtsson et al. (2006), finds that there are some principal differences between the Nordic countries. The Danish and Swedish housing policies are characterised as more general and universalistic in the sense that they to a greater extent are pointed at housing for the whole population and not only for vulnerable low-income groups. This means that support for housing to a great extent also is available for middle and higher income groups, especially tax subsidies and social housing. On the other hand the Finnish policy is described as much more selective and to a greater extent a part of social policies, where support is more limited and means tested. Norway is ascribed a position in between.

The general social goals for housing policy in the countries do not, according to Bengtsson et

Table 5. The development of GDP and government expenditures in Denmark compared with other countries (OECD 2010).

	1980	1985	1990	1995	2000	2005
GDP mill. DKK at 2000 prices	816 424	933 493	1 001 381	1 124 052	1 293 964	1 377 414
Government expenditure DKK 2000 prices	438 193	520 562	560 199	665 643	693 219	725 802
GDP index	100	114	123	138	158	169
Government expenditure index	100	119	128	152	158	166
Gov. Exp. As % of GDP	54	56	56	59	54	53
Social expenditures % of GDP	25	23	25	29	26	27
Social expenditures % in other countries						
Finland	18	22	24	31	24	26
Norway	17	18	22	23	21	22
Sweden	27	29	30	32	29	29
OECD - Total	16	18	18	20	19	21

al. (2006), seem to differ substantial.¹ But such objectives always tend to be very general. Hansen and Skifter Andersen (1993) pointed to some marked differences in the way housing was perceived in the countries, which have influenced the actual policies. They tried to identify the position in the countries concerning two main questions (as discussed above):

1. Should housing be seen as a private or a public good? Should individual financial resources be entirely deciding for housing consumption or should housing of a certain standard be available for all household.
2. Should housing mostly be provided by the market or by the public sector?

There is some connection between these two questions as those who have the opinion that housing is a private good also find that it should be provided by the market. But the position also exist that housing to some degree is a public good, but should be provided by a subsidised and regulated market.

Besides general conceptions of housing policy arising from these positions there has been different opinions in the countries concerning the desirability of different housing tenures. This is not only a question about which tenures are either most market oriented or have social qualities, but more on what is the best kind of housing for people in general. In some cases home-

ownership is seen as the most desirable kind of housing because it promotes savings and gives optimal possibilities of disposition.

Lujanen et al. (2004) points to three phases in the development of housing policies in the Nordic countries after the Second World War. The first phase up to the first half of the 1970s was largely concerned with satisfying quantitative need for housing. During the second phase more intention was given to the qualitative aspects of housing and urban renewal gained more importance in Denmark, Norway and Finland (Sweden had already done a lot in the first phase). In the third phase from the mid-1980s reduction of tax subsidies for homeownership, privatisation of housing and especially state controlled housing finance (in Sweden, Norway and Finland) came into focus.

Bengtsson et al. (2006) points to the same phases called 1. The construction phase, 2. The administration phase and 3. The phase-out phase. While the two first phases can be explained by the structural dynamics of the housing sector, the last one, where housing policies are dismantled, is explained as a consequence of ideological political changes that demanded a general withdrawal of the welfare state.

Denmark has had strong social objectives for housing but not as pronounced as in Sweden (Hansen and Skifter Andersen 1993). More weight has been put on the market and less state control, especially of housing finance. General tax subsidies, which have strengthened homeownership, have been extensive. But there has also been a considerable support for social housing and the sector is strong. Despite the general market orientation there has been a strong rent control in the private rented market, which is still functioning.

¹ In Børresen et al. 1997 (p 45) the overall goals for housing policy in the countries are cited as:

Sweden: The whole population should be offered healthy, well designed and well equipped dwellings of good quality at affordable costs

Denmark: Policies should secure good and healthy dwellings for all. This should be obtained by a versatile supply of housing that give all groups in the population the possibility to find a suitable dwelling in accordance with their needs and financial ability

Norway: Everyone should be in possession of a good and reasonable dwelling in a good housing environment.

Finland: All groups in society should have access to an affordable dwelling, which fulfils certain criteria concerning size and standard, and is located in a good and functional environment.

2.2. Housing stock and housing conditions

Denmark has about 2.5 million dwellings corresponding to 460 dwellings per inhabitant. More than half of the dwellings have four or more rooms as can be seen by table 6. The average number of rooms per inhabitant is 1.7.

Table 6. Dwellings distributed on number of rooms as per cent, number of dwellings per 1000 inhabitants and average rooms per person 2008.

Distribution of dwellings %	
1 room with kitchen	4
2 rooms with kitchen	18
3 rooms with kitchen	23
4 rooms with kitchen	24
5+ rooms with kitchen	29
Not stated	2
Total	100
<hr/>	
Number of dwellings/1000 inhabitants	462
Average rooms per inhabitant	1.7

Source: The Nordic Statbank, Eurostat

The housing conditions are thus quite favourable in Denmark. In a survey made by Eurostat (Table 7) it was shown that only 8.3 per cent of that respondent households found that they lived in an overcrowded dwelling. More than 25 per cent found their dwellings very spacious. Nearly 60 per cent of the dwellings are in detached or semi detached single family houses (Table 8).

Table 7. Households distributed on overcrowded and spacious dwellings as per cent (Eurostat EU-SILC).

	Over-crowded	Somewhat spacious	Very spacious	Total	n
Denmark	8.3	66.5	25.2	100	5 711

Table 8. Dwellings distributed on type of building as per cent (The Nordic Statbank).

Denmark	
One- and two family houses	59
Apartment blocks	38
Other dwellings	3
Total	100

2.3. Housing costs and expenses

Like many other European countries Denmark had an increase in property prices during the economic boom from the middle of the 1990s followed by a decline after 2007. But the fluctuations in Denmark were especially strong. In Figure one is shown the development in sales prices per square meter for respectively single family houses and owner-occupied flats.

Especially the sales prices for flats increased from about 6,000 DKK per square meter in 1995 to nearly 24,000 in 2006 followed by a decline to 17,000 in 2009. The prices on single family houses increased from 4,600 in 1995 to 14,000 in 2007 and declined to 12,000 in 2009. It is especially the period from 2004 that have been turbulent, mainly because the government in 2004 allowed new types of loans without paying instalments.

Because of this development the prices became very high and it became much more difficult for first time buyers to afford a home. These difficulties are especially found in the Capital Region as can be seen from table 9. There are especially differences between the prices for single family houses. It can that there are some differences in rents between social housing and private renting, and between the Capital Region and the rest of the country.

In a survey from Eurostat a population of Danes has been asked about to what extent they feel their housing costs as a strain. As shown in table 10 nearly 60 per cent of the respondents found that the financial strain was high or very high. This figure is high compared to other countries in the study and very high compared to the other Nordic countries.

2.4. Tenures on the housing market

In all the countries a number of distinct hous-

Table 9. Sales prices and rents per square meter, euro (Statistics Denmark).

	Average for the country	Average for the capital region
Sales prices		
Detached houses	1 735	2 646
Flats	2 522	2 927
Rents 100 square meter		
Social housing	785	870
Private renting	859	1 055

Table 10. Households distributed on housing cost strain as per cent, Nordic countries, 2006 (Eurostat EU-SILC).

	Low	Medium	High	Very high	All	n
Denmark	3.8	36.6	43.8	15.8	100	5 711

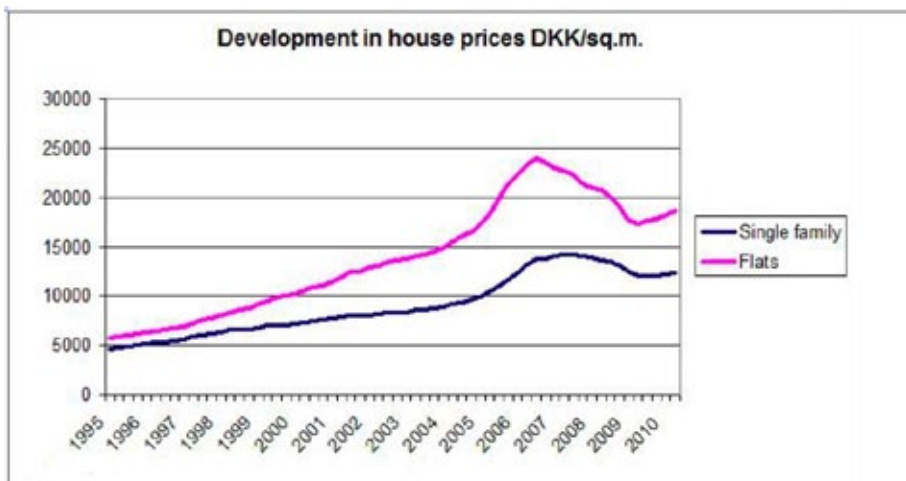


Figure 1. The development in house prices in Denmark 1995 - 2010 in DKK per square meter (The Association of Danish Mortgage Banks).

ing tenures has been designed, which are subject to specific legislation and sometimes public support. These tenures are not quite alike in the countries but can be divided into five groups:

- Owner-occupied houses: Dwellings in buildings that constitute one property, mostly in detached single family houses
- Owner-occupied flats etc.: Dwellings in blocks of flats with separate ownership
- Co-operatives: Dwellings in blocks of flats with joint ownership
- Private renting: rented dwellings owned by private landlords based on general market conditions

- Social housing: Housing owned by the public or by non-profit housing companies controlled by local authorities

The composition of the housing market in Denmark is seen in table 11.

Compared to many other countries the share

Table 11. Dwellings distributed on tenures in 2007 in Denmark, per cent.

	The share of total
Owner-occupied houses	48
Owner-occupied flats etc.	5
Co-operatives	7
Private renting	19
Social/public housing	21
All	100

Table 12. Characterisation of the Danish housing policy.

	Social housing	Private renting	Co-operatives etc	Owner-occupied
Individual support	yes	yes	(yes)	no
Supply support	yes	no	no	no
Tax support	no	no	(yes)	yes
Rent/price control?	yes	yes	(yes)	no
Regulation of access?	yes	no	(yes)	no
Supported finance	yes	no	(yes)	no

(yes) means partly

of owner-occupied dwellings is quite low. The rented sector is about 40 per cent and divided into two sectors of nearly equal size as social housing and private rented housing. Finally there is a relatively small co-operative sector, which, however, are strong in the municipality of Copenhagen, where it constitutes about 25 per cent. The Danish housing policy can be characterised as shown in table 12.

2.4.1. Owner-occupied housing

In Denmark housing finance has been privatised since the early 1960s. For many years special so-called 'real credit associations' had monopoly on giving loans with security in real estate. In recent years these associations have been privatised and sold to banks or have become normal joint-stock companies. And banks have also been given the permission to give loans. Earlier the only condition for loans was the value of the property and the loan could be up to 80 per cent of the estimated value. After the fiscal crisis in the last part of the 1980s, however, personal economic capabilities of the debtor came increasingly in focus, especially after the financial crisis in 2008. So the evaluation of the financial situation and solidity of the potential borrower, made by the banks, increasingly determines who can get loans for buying a home.

There are no supported loans and no supply

or individual subsidies for owner-occupation in Denmark (except for some tax advantages for pensioners). Earlier tax subsidies were very high because all capital costs could be deducted from the taxable income. This has been very much reduced since the beginning of the 1990s and now only about 30 per cent of the costs can be deducted. Moreover, owner-occupied housing is due to a property value taxation, which is one per cent of the taxable value.

Prices has increased very much in the period 1995-2007, which has made it increasingly difficult for the middle class to buy a home near the big cities. Since 2008 prices and interests has fallen somewhat, but at the same time it has been more difficult to obtain a loan.

2.4.2. Co-operatives

Co-operatives are a small sector in Denmark and most of it is older housing that has been transferred from private renting. This is because there has since 1981 been legislation saying that, when a private landlord wants to sell his property, he has to offer it to the tenants as a co-operative at the same price as the offer he gets from other potential buyers. Especially in the City of Copenhagen co-operatives have expanded and is now the largest tenure with about 25 per cent of dwellings.

Since the beginning of the 1980s there has,

however, been public financial support for building of new co-operatives with certain limits on the size and costs of the dwellings. This support has since 2000 been reduced to a public guarantee on loans.

There are no supply subsidies for the older co-operatives and there is no individual support, except for pensioners, in co-operatives as a whole. Capital costs on individual loans to finance the share contribution can be deducted in the taxable income, but loans taken by the co-operative can not.

The prices of co-operatives are subject to regulation. In principle the share value of a dwelling should be calculated based on the difference between the taxable value of the property and the mortgages on it. The taxable value of co-operatives is calculated as the value of a comparable rented property. Because of rent control these values have been rather low which for a long period resulted in that a co-operative was much cheaper to buy and live in than owner-occupied flats. This resulted in queues and most co-operatives had waiting lists with different rules, which had been decided locally. As a result co-operatives to a large extent has been populated with people being in family with each other or being friends. To some extents co-operatives has been a closed sector for outsiders, especially immigrants, who do not have personal relations to the residents living there.

In recent years this situation to some extent has been changed. It has been allowed that co-operatives get a specific evaluation of the value of the property by a real estate agent as basis for calculation of the share value. As prices on rental property has skyrocketed and the agents been happy to make a high value, share prices in some properties has increased to what can be seen as a market value comparable with owner-occupied flats. Co-operative dwellings are increasingly sold on the market and not distributed

by waiting lists. But it is very difficult for house hunters to see through the economic conditions of co-operatives and some people have burned themselves by buying a too expensive dwelling.

Parts of the co-operative sector are still relatively cheap, but the access to these dwellings is more than ever conditioned by social relations to the present residents. An increasingly part is purchased free at market price level, but as legislation has become obsolete this involves some financial risks.

2.4.3. Private renting

Private renting is a somewhat diverse sector where different parts of it are subject to different kinds of regulation. About half of all private rented dwellings are subject to a strict rent control. Rents are in principle determined by the costs involved in running the properties (not including capital costs) plus a so-called capital yield calculated in accordance with certain rules. The rest of the sector is subject to a more weak control saying that the rent should not exceed 'the value of housing service', which is determined by courts by comparing with other rents in the local area. The result of rent control is that rents tend to be below the market level. In an earlier report (Lejelovskommisionen 1997) it was estimated that rents were 40 per cent below the market level. In a more recent report (Skifter Andersen 2008) it was reported that private landlords in average only expected a ten per cent increase in rents if rent control were abolished. But in the big cities rents are more below market level than in less urbanised areas.

As a consequence of this there is a surplus demand for private renting, especially in the cities. This means that landlords often can pick and choose between the applicants for dwellings. Less than half of new tenants are found through advertisement (Skifter Andersen 2008).

More than 20 per cent of landlords puts weight on that they know the tenant in advance. Moreover, 18 per cent of landlords do not want to let out to immigrants.

Tenants in private renting can get housing allowances. There are two kinds of allowances for respectively pensioners and other tenants, where the allowance for pensioners is much more favourable. The size of the subsidy is dependent on the size of the rent, the size of the dwelling, household income and household size.

2.4.4. Social housing

In Denmark social housing is organised in non-profit housing associations. In principle the associations are private autonomous organisations but they are subject to a strict public regulation and under surveillance of local authorities.

Rents in social housing are fixed in accordance with principles of financial balance between earnings and expenses on every housing estate. As the historic costs and capital costs vary between estates build in different time periods this means that rents varies in a way that is not in accordance with the variation in quality and location. Some estates are very cheap and some are very expensive. These differences are to some extent levelled out because especially the older estates are paying contribution to a central fond called 'Landsbyggefonden'. But the system causes that some estates have difficulties in competing on the housing market and are vulnerable to distress and devaluation.

New social housing is subsidised and under controlled costs. The local authorities have until recently been obliged to contribute with 14 per cent of the funding (now seven per cent). Two per cent comes from contributions from the tenants and 84 per cent comes from the private real credit institutes at market conditions. Earlier, when interests in Denmark were higher, there

was a support bringing down capital costs to a certain interest level, about 3.4 per cent. Tenants in social housing can get housing allowances with the same rules as for private renting. Tenants can also get guaranteed loans to cover the deposit.

In principle all kinds of households can get access to social housing. On some estates with larger dwellings there can be principles about giving preference to families with children but this priority can be cancelled if dwellings are vacant. As a main rule vacant dwellings on an estate are allocated to people on a waiting list in the specific housing association. But there are also several other means of allocation. One is that the local authorities can dispose of 25 per cent of vacant dwellings. These are often used for poor families in urgent need of a dwelling and for refugees. Another system is an internal waiting list in the association where residents, who can move out and release a dwelling, are given preference. Finally there, in connection with urban policies trying to change the social composition of deprived neighbourhoods, have been introduced other allocation systems giving preference to people in education or employment.

Especially in Copenhagen there has been a high pressure on the social housing sector and the normal waiting lists have been very long resulting in many years of waiting time. It has thus been difficult for many immigrants to get access to social housing and they have only succeeded if they have accepted to wait for several years. Most Danes have given up the waiting lists, so a relatively large proportion of people on the lists are immigrants. A study from 2004 (Skifter Andersen 2004) showed that many immigrants used the internal waiting lists to upgrade their housing situation. Some of them also used this system to move to estates with a higher concentration of immigrants.

2.5. Segmentation of the housing market

Dependant on how tenures are designed the housing market can be more or less 'segmented'. Segmentation of the housing market is a concept that has been used to describe the way different people are allocated to different parts of the housing market (Lindberg and Lind'n 1989; Olson Hort 1992) or that different parts of the housing market are designed to meet different kinds of demand (Rothenburg et al. 1991). Segmentation is created when different tenures to a great extent are made available and attractive for different households, for example divided by income and family situation. Segmentation often means that high-income groups are concentrated in certain parts of the housing market, mostly owner-occupied detached housing, while low-income groups mostly reside in poor rental housing or social housing. Segmentation has mostly been a result of the way subsidies are designed (tax subsidies in owner-occupation is most favourable for high-income groups while only low-income groups can get housing allowances in rental housing) or by the way access to tenures is regulated (some-

Table 13. Average household incomes in different tenures in Denmark 2008 (SBI database based on data from public registers).

	Share of housing	Average household income in euro per year	Relative deviation from all households %
Owner-occupied houses	46	75 078	34
Owner-occupied flats etc.	6	58 495	5
Co-operatives	8	44 569	-20
Private renting	21	38 003	-32
Social/public housing	20	33 868	-39
All	100	55 957	

times only low-income groups can get access to subsidised social housing).

In Denmark there has been an increasing segmentation of the housing market in the last 30 years in the sense that there has been a steady increase in the difference in average household incomes between the owner-occupied and the rented sector (Skifter Andersen 2005). In table 13 is shown the average household incomes in different tenures in 2008.

It can be seen, that the household income in owner-occupied houses is more than twice the

Table 14. Households divided in income deciles distributed on tenures in Denmark 2008, and calculated segmentation indices² (SBI database).

	Owner-occupied houses	Owner-occupied flats etc.	Co-operatives	Private renting	Social/public housing
Income deciles					
1	11	3	8	42	36
2	16	3	9	34	39
3	26	5	10	29	32
4	31	6	10	26	27
5	37	8	11	22	22
6	47	8	10	18	17
7	62	7	7	13	12
8	73	5	5	9	8
9	78	5	4	8	5
10	81	6	3	8	3
All households	46	6	8	21	20
Segmentation index	22	1	2	10	11

² Segmentation index for tenure x = $\sum_{i=1}^{10} (i-1) \cdot 10 \cdot (\text{numeric}(\text{share of decile no. } i \text{ in tenure } x) - \text{share of all households in tenure } x) / 10$
Total index: $\sum_{x=1}^m (\text{index for tenure } x * \text{share of dwellings in tenure } x) / 100$

income in social housing, which is at the lowest. This can partly be explained by people living in social housing are more often singles. Also incomes among households in private renting are quite low. Residents here are often young singles (Skifter Andersen 2007). The incomes in co-operatives are higher than in rented housing but still far below the owner-occupied sector.

To get a more detailed picture all households are divided into income deciles and their distribution on tenures is shown in table 14. A segmentation index is for each tenure calculated as the sum of the numerical deviations between the deciles and the whole population divided by ten. This index shows to what extent a broad segment of the population is living in the tenure or not.

The table shows that owner-occupied houses is the most segmented tenure with an calculated index on 22. Social and private rented housing is next, mainly because an overrepresentation of the lowest income groups. Co-operatives and owner-occupied flats are the least segmented. In co-operatives the middle-income groups are over-represented, while owner-occupied flats have a quite equal distribution in all deciles.

3. Immigrants in Denmark

3.1. The historic development of immigration policies and immigration

For centuries there have been different kinds of immigration to Denmark from other European countries, but it was never felt as something that should need special integration initiatives. The first time this came on the agenda was when Denmark received around 1,000 refugees from Hungary in 1956. At this moment an organisation ‘Dansk flygtningehjælp’ was organised to take care of refugees and measures of integration was established by the government.

In connection with the high economic growth in the 1960s Danish firms actively searched for labour in countries like Italy, Portugal, Yugoslavia, Turkey, Pakistan and Morocco. In this period it was very easy for foreigners to get permission to come to the country and search for work. This was changed in 1973 when the upcoming economic crisis and increasing unemployment motivated the government to make a stop for immigration of migrant workers. It was expected that the labour immigrants would return to their home country in case of unemployment,

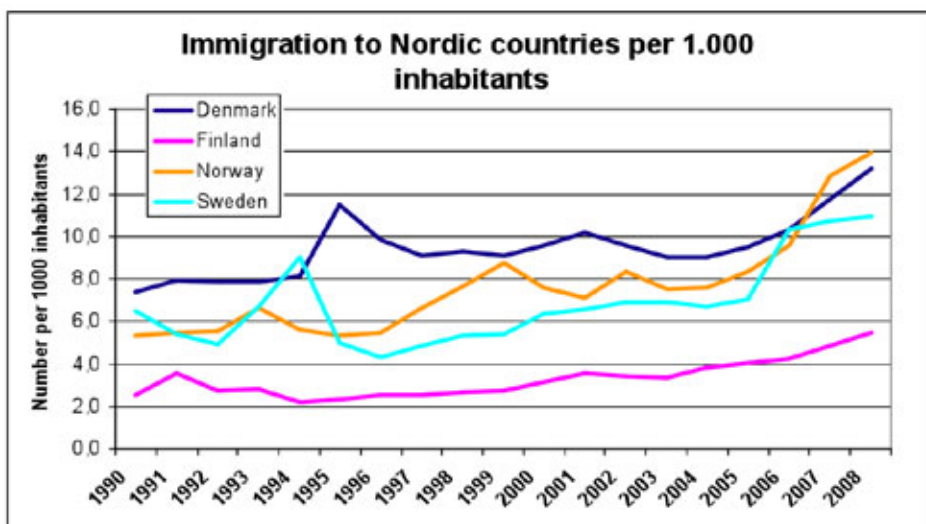


Figure 2. Immigration to Nordic countries per 1000 inhabitants (Nordic Statistical Databank).

but they did not. In stead most of them had their family moved to Denmark as family reunification, which was granted them in the legislation.

Denmark also felt it as a responsibility to receive refugees. The country received refugees from Chile and Vietnam in the 1970s and from Iran, Iraq, Lebanon (Palestinians), and Sri Lanka in the 1980s. Besides these groups also refugees from Yugoslavia and Somalia appeared in the 1990s. Also these groups had in many cases family reunification with their relatives from the homeland, which was granted them since 1983.

The number of immigrants from the so called 'labour immigration' countries outside Western Europe (Turkey, Yugoslavia, Pakistan and Morocco) living in Denmark increased from about 40,000 in 1975 to 100,000 in 1996 (White paper 1337, 1997). The number of people, who had come from the 12 largest refugee countries increased from 2,000 in 1980 to 56,000 in 1996.

In the last part of the 1980s a political debate was started about immigration as it became more evident that few immigrants formed their family by marrying Danes, but instead preferred to 'import' partners from their homeland. Therefore in 1992 the rules concerning family reunification were tightened (Stenild and Martens 2009). It

was demanded that one should have lived in Denmark for at least five years. Moreover, one should have the economic means to support a family.

In 2001 a new government, depending on support from the right wing party 'Dansk Folkeparti' came to power. It had as one of its main objectives to reduce the number of immigrants from third world countries. The 'de-facto' rules, meaning that everyone who appeared inside the borders had the right to apply for asylum and stay until their case was solved, were abolished. Moreover, new rules for family reunification were introduced. One should be older than 24 to be unified and there was a rule that the family as a whole should have greater affiliation to Denmark than to any other country. In practice this rule is difficult to enforce and the administration of it concerns many conditions like how long time each of the couple have lived in Denmark, if they have other family in the country or in other countries, if they have work or education in Denmark, how well they speak Danish and how long time they have spend in other countries. There is a lot of judgement in the administration of the rules and it has appeared that also people with a Danish background in some cases have not been able to marry a foreigner and settle in

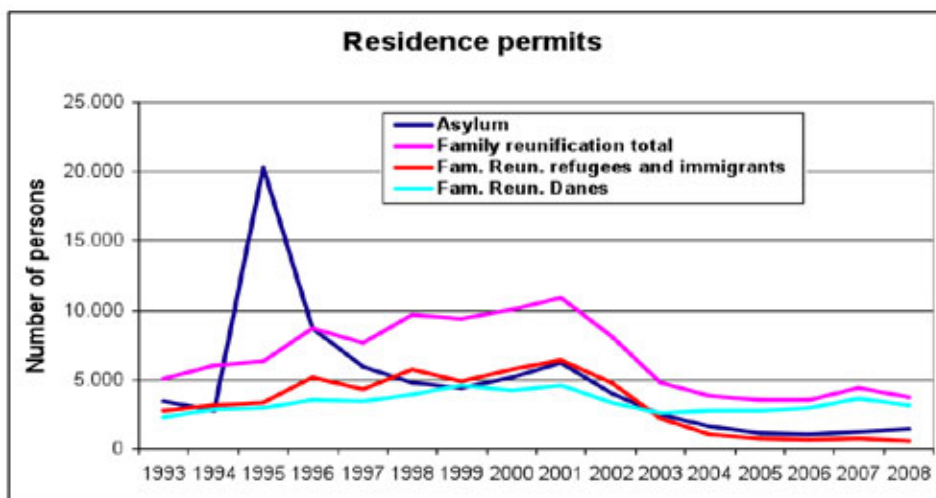


Figure 3. The development in residence permits to asylum and family reunification (Publications from the Danish Ministry of Integration).

Denmark if the partner is less than 24 or if it is judged that the couple have a stronger affiliation to another country outside the EU because they both have lived there for some years. These rules do not apply to people who have been Danish citizens for more than 28 years or if they are born in the country and are more than 28. Moreover, the person living in Denmark must have a minimum income which is judged to be big enough to support a family and his dwelling must have a certain minimum size.

These new rules led to a marked fall in immigration after 2001 in connection with asylum and family reunification, as shown in figure three. Residence permits for asylum had a peak with 20,000 in 1995 because of many refugees from Bosnia, but after this the level in the last part of the 1990s stayed at about 5,000 per year increasing to 6,300 in 2001. After 2001 the number of refugees given asylum decreased year after year to about 1,000 at the lowest level in 2006.

The number of residence permits in connection with family reunification was increasing in the 1990s from about 5,000 in the beginning of

the decennium to 11,000 in 2001. Of these 6,400 were persons who were reunified with other immigrants, while 4,600 were unified with people of Danish origin. After 2001 the total number of permits given in connection with family reunification dropped to 3,500 in 2005. Reunification with immigrants dropped even more and was only 550 in 2008.

After 2001 the Danish unemployment rate dropped and there was a beginning shortage of labour in certain sectors of the economy. Therefore immigration of skilled labour came on the political agenda. In 2002 a ‘green card’ arrangement was introduced which made it easier for immigrants coming to work in certain sectors in accordance with a ‘positive list’. After 2007 it was possible for everyone to come and work in Denmark provided that they would get a certain income. Immigrants with certain qualifications can get residence permit for a period of six months to seek employment. These rules were further developed in 2008 to make it possible for Danish firms to recruit labour from other countries. The income limit was reduced to 375,000

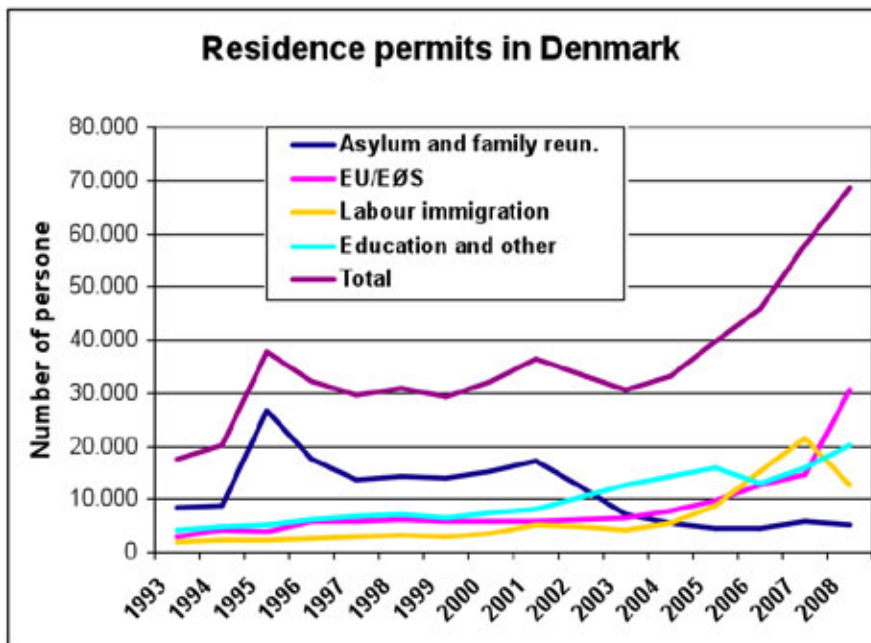


Figure 4. All residence permits in Denmark 1993-2008 (Statistics Denmark).

DKK per year and the green card arrangement was extended (Nilas 2009).

Of even greater importance was the extension of the EU with countries from Central Europe in 2004. In the first place immigrants from the new countries as a transitional agreement were covered by the general rules for labour immigration. These rules were relaxed in 2008 and from 2009 citizens from the new EU countries are free to seek employment in Denmark.

As residence permits in connection with education also were extended, this meant that immigration to Denmark after a short fall in 2003 increased very much in coming years (Figure 4). The total number of residence permits increased from 30,000 in 2003 to 70,000 in 2008.

Labour immigration increased from 2,000 in the beginning of the 1990s and 3,600 in 2000 to 21,000 in 2007. Immigration from other EU countries (and EØS) increased from 3,000 in

1993 to 6,000 in 2000 and 15,000 in 2007. In 2008 immigrants from the new EU countries are encompassed by the EU rules why these permits have been much increased while labour permits have decreased.

3.2. The national composition of immigration to Denmark

At the same time as the reasons for immigration to Denmark have been changed there has also been a shift in the national composition of immigrants as can be seen from figure five. In 1980, 60 per cent of the immigrants came from other European countries and 13 per cent from North America. The Middle East (North Africa and Western Asia) stood for about ten per cent (2 900 immigrants). In 1985 this immigration increased to a peak of 7,500, mostly because of refugees from Iran and Lebanon (Palestians).

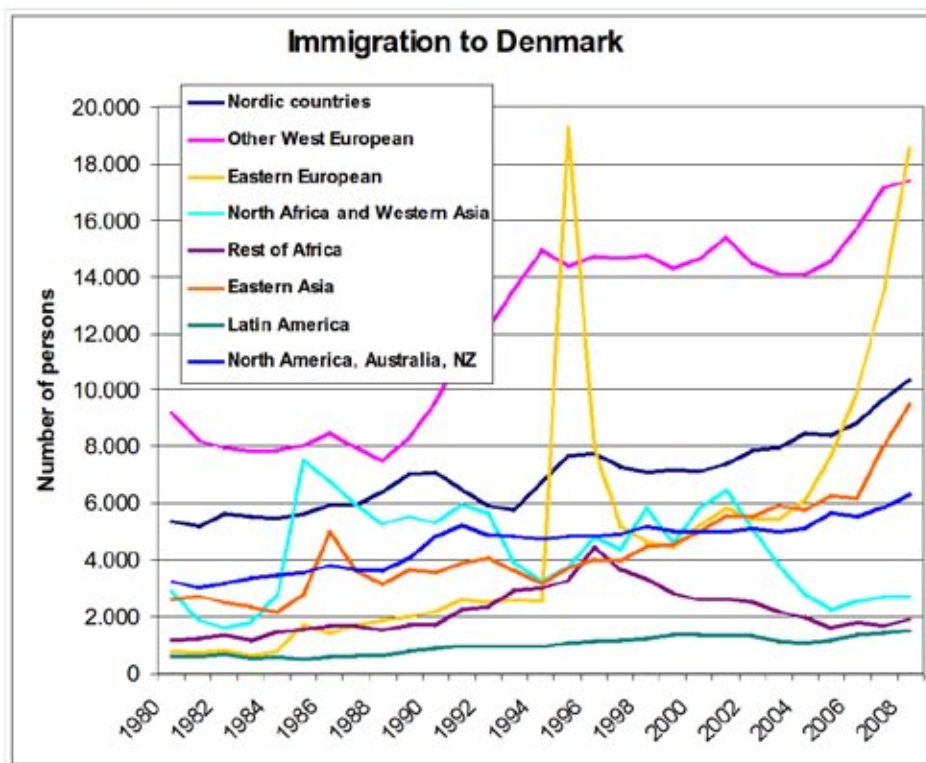


Figure 5. The development in immigration to Denmark from different parts of the world (Statistics Denmark).

From the middle of the 1980s to 2001 this immigration varied up and down between 6,500 and 3,000 per year. After 2001 it decreased gradually to a little more than 2,000.

Immigration from Eastern Asia has gradually increased all over the years from 2,600 in 1980 to 9,400 in 2008. In the last years many of these immigrants has come to get education. The immigration from the rest of Africa has been somewhat smaller except for Somalis. It increased until a peak at 4,400 in 1996 and has after that decreased to less than 2,000 per year in recent years.

The most fluctuating immigration has come from Eastern and Central European Countries. A large contingent of refugees was received from the former Yugoslavia in the years 1995-97. Besides this, there was a steady increase in the immigration over the years from less than 1,000 in the beginning of the 1980s to the extension of the EU in 2004, where immigration exploded because of labour permits.

The most important immigration countries outside Europe and North America can be divided into 'labour immigration countries' and

'refugee countries'.

The most important of these labour immigrant countries have been Turkey (32,000 immigrants in the period 1980-2008), Pakistan (17,000) and Morocco (5,500). Immigration from these countries started already in the 1960s, but after 1973 almost all has been as family reunification except from Kurd refugees from the Eastern part of Turkey.

In figure 6 is shown the development in the immigration from these countries 1980 to 2008. Immigration from Turkey has been most extensive and fluctuating with a peak in 1990 and a decrease after 2001. Immigration from Pakistan increased more steadily until 2001 also followed by a fall. Immigration from Morocco has been modest during the whole period with a peak around 1990.

Figure 7 shows the development in immigration from the seven largest refugee countries outside Europe and North America. Until 1984 the number of refugees coming to Denmark was quite small. In 1985, however, about 4,000 Iranian refugees came to the country followed by 2 500 Palestinians from Lebanon in

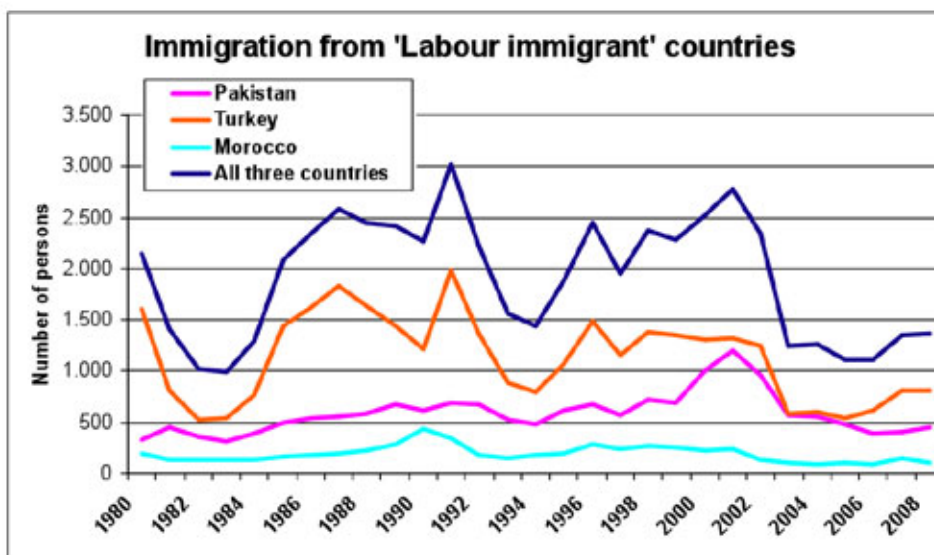


Figure 6. Immigration from the three largest labour immigration countries outside Europe and North America (Statistics Denmark).

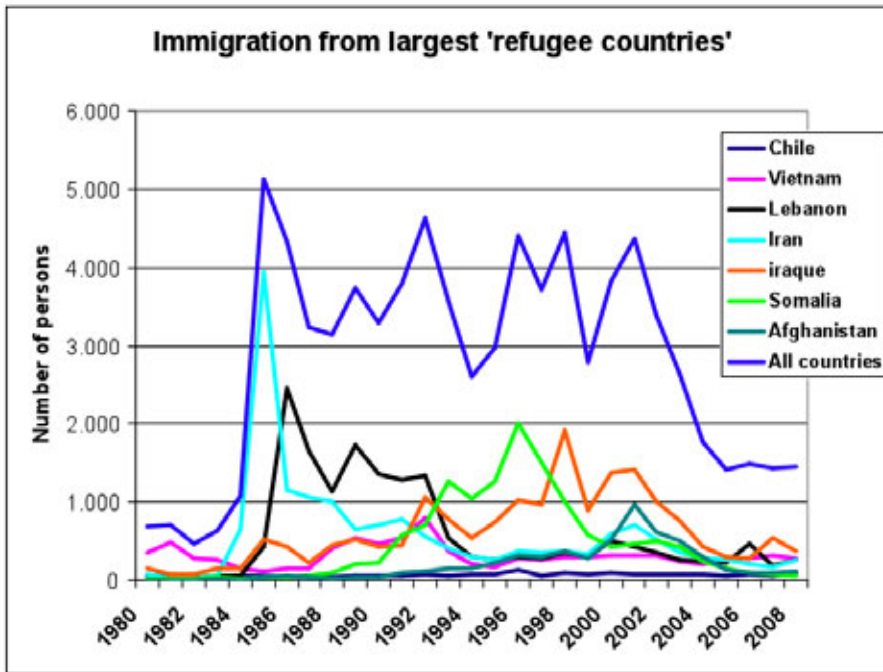


Figure 7. Immigration from the seven largest refugee countries outside Europe and North America (Statistics Denmark).

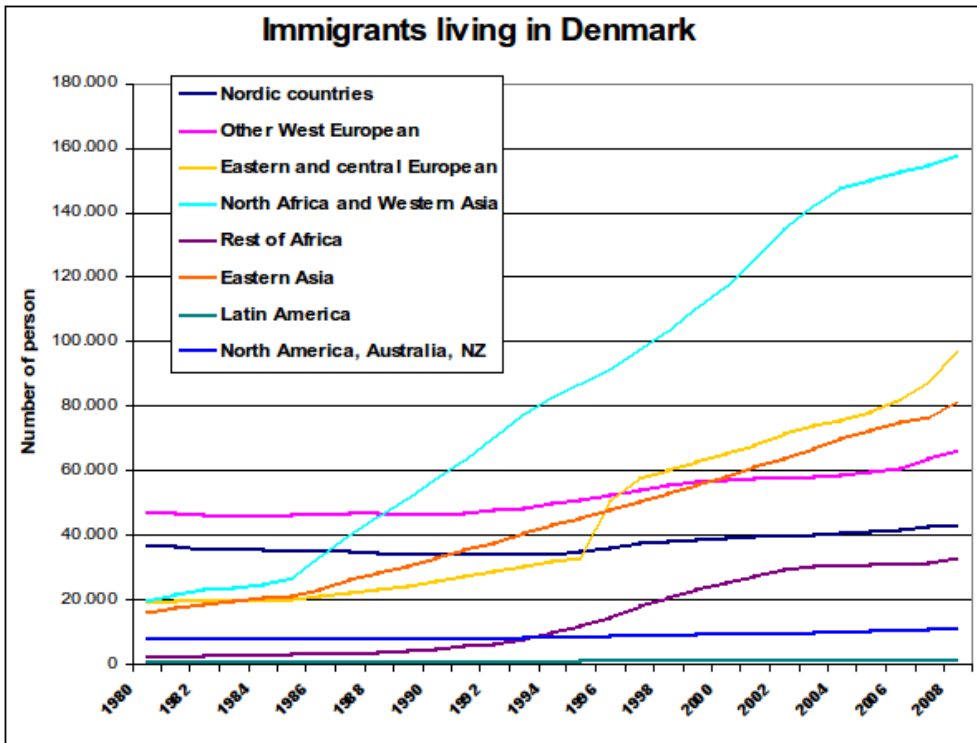


Figure 8. The development in immigrants and descendants³ in Denmark (Statistics Denmark).

³ Descendants are defined as persons born in Denmark with both parents being immigrants. The number of immigrants and descendants in Denmark increased from 150,000 in 1980 to 490,000 in 2009. Some of these immigrants are permanent settlers while others are only temporary in the country.

Table 15. The 20 largest immigrant populations in Denmark 2009.

	Immigrants 2009
Turkey	58 191
Germany	30 385
Iraq	28 917
Poland	27 198
Lebanon	23 563
Bosnia	22 093
Pakistan	19 880
Kosovo etc.	17 141
Somalia	16 689
Norway	15 956
Sweden	15 140
Iran	14 896
Vietnam	13 626
Great Britain	12 986
Afghanistan	12 187
Sri Lanka	10 663
Morocco	9 622
China	9 356
Thailand	8 844
Iceland	8 632

Note: Descendants are included

1985. In the following years the total number of immigrants from the seven countries fluctuated around three to four thousand people. Immigration from Somalia increased to a peak of 2,000 in 1996 followed by a steep decrease in the following years. Immigration from Iraq especially came after 1992 and peaked in the last part of the 1990s. The Afghans came after the NATO invasion in 2001. Immigration from all the countries has been diminished since 2001. Besides these refugee countries there has also been a stream of refugees from the former Yugoslavia. Between 1995-1997 Denmark received 24,000 refugees from there.

3.3. The development in the number of immigrants

Some of the immigrants leave Denmark after

some years. This especially applies for people coming from the European countries but also for some of the immigrants coming from abroad for getting education or work for a period. The development in the number of immigrants in the country thus does not have a strict connection to the development in immigration shown above. In figure 8 is shown how the immigrant population in Denmark has developed since 1980. The figures include descendants born in Denmark.

Immigrants from the Middle East (North Africa and Western Asia) more often have stayed in the country why their number have been steadily increasing over the years from 20,000 in 1980 to 160,000 in 2009. The number of immigrants from other African countries rose from 2 200 to 33,000 in the period. Also the amount of immigrants from Eastern and Central Europe and from Eastern Asia has been increasing, but in recent years this to a greater extent are people who seek work or education. Many of these immigrants can be expected to leave the country again and cannot be seen as permanent settlers in the country. This is even more pronounced for immigrants coming from the Nordic Countries, from Western Europe and from North America etc.

In table 15 is shown the populations of the 20 largest immigrant groups in Denmark in 2009. There are three Nordic countries (Norway, Sweden and Iceland), two Western European countries (Germany and Great Britain), three Central European countries (Poland, Bosnia and Kosovo etc.), six countries from the Middle East (Turkey, Iraq, Lebanon, Iran, Afghanistan and Morocco), one from Africa (Somalia) and five from Eastern Asia (Pakistan, Vietnam, Sri Lanka, China and Thailand).

The Turks are far the largest immigrant population of nearby 60,000 people. Other important groups from the third world are Iraqis, Pakistani, Somalis, Iranians, Vietnamese, Afghans and people from Sri Lanka.

3.4. Characterisation of immigrants from countries outside Western Europe and North America

This section is based on a Danish study of immigrants in Denmark in 2004 (Skifter Andersen 2006a) the grouping of immigrants is taken from this study. It only encompasses immigrants (and descendants) from countries outside Western Europe, North America, Australia and New Zealand, who now make up about 16 per cent of the Danish population. These immigrants have

been divided in the groups shown in figure 8.

These immigrants have been distributed on households defined as persons living at the same address and the ethnic composition of the household has been analysed. The method has been to find the person in the household with the highest income, who has been named the 'main person'. The households are in table 17 grouped after the background of this main person and the composition of the household.

The idea behind this analysis is to group im-

Table 16. Grouping of immigrants in Denmark from countries outside Western Europe etc. 2004 (Skifter Andersen 2006a).

	Number of persons 2004	Proportion of all %
All	289 615	100.0
Turkey	50 355	17 .4
Pakistan	18 075	6 .2
Arabic countries	63 645	22 .0
Iran	12 840	4 .4
Afghanistan	9 520	3 .3
Somalia	16 450	5 .7
Central and Eastern Europe	44 485	15 .4
Other Asiatic countries	58 790	20 .3
Other African countries	10 970	3 .8
Other countries	12 295	4 .2

Table 17. Households in Denmark with immigrants from countries outside Western Europe etc. 2004 (Skifter Andersen 2006a).

	Number of households	Proportion of households	Share of all Danish households
Mixed household with Danes and immigrants	96.520	55 %	
Descendants	2.575	1 %	
Immigrants with Danish citizenship	30.890	18 %	
Others immigrated before 1990	10.815	6 %	
Others immigrated after 1989	34.305	20 %	
All	175.105	100 %	
Pure immigrants households	78.585	45 %	3,30 %
Mixed households, 'main person' is immigrant	12.095	7 %	0,50 %
Mixed households, 'main person' is Danish	84.425	48 %	3,50 %

migrant households after their expected degree of integration in society. It is expected that mixed households and descendants are more integrated than others. Moreover households with a main person, who are a Danish citizen, could be better integrated than those who are not. Finally immigrants who have lived fewer years in the country must be expected to have greater difficulties in adjusting to the conditions in the country.

It can be seen from the table that there are 175,000 households in Denmark (out of 2.4 million) with at least one person originating from countries outside Western Europe etc. But most of them also contain Danes. Only a little less than 80,000 are pure immigrant households. In more than 90 per cent of these all residents are from the same country. In 12,000 of the mixed households the main person is immigrant, while there are 84,000 mixed households with a Danish main person. The number of households, where the main person is a descendant is very small, only 2,500. But a quite large part of the pure immigrant households have a main person, who has Danish citizenship. As can be seen from figure 9

there are considerable differences between immigrants coming from different countries.

In some of the 'ethnic groups' there are very few mixed households, few descendants and quite a few with citizenship. This especially applies to immigrants from Somalia and Afghanistan. On the other hand Immigrants from Iran towers as a group often living in mixed households and having citizenship. The only groups with some 'descendant households' are Pakistanis (12 per cent) and Turks (6 per cent). There are quite a lot mixed households with main persons coming from other African or Asiatic countries. Those who have Arabic background relatively often have obtained citizenship.

One can to some extent judge the degree of integration of the different groups from the size of the group 'Others'. It points to that Somalis and Afghans are the least integrated groups followed by immigrants from central and Eastern Europe, from Turkey and from Arabic countries. Concerning immigrants from Eastern Europe and to some extent Turkey, an explanation could be that they always saw themselves as temporary

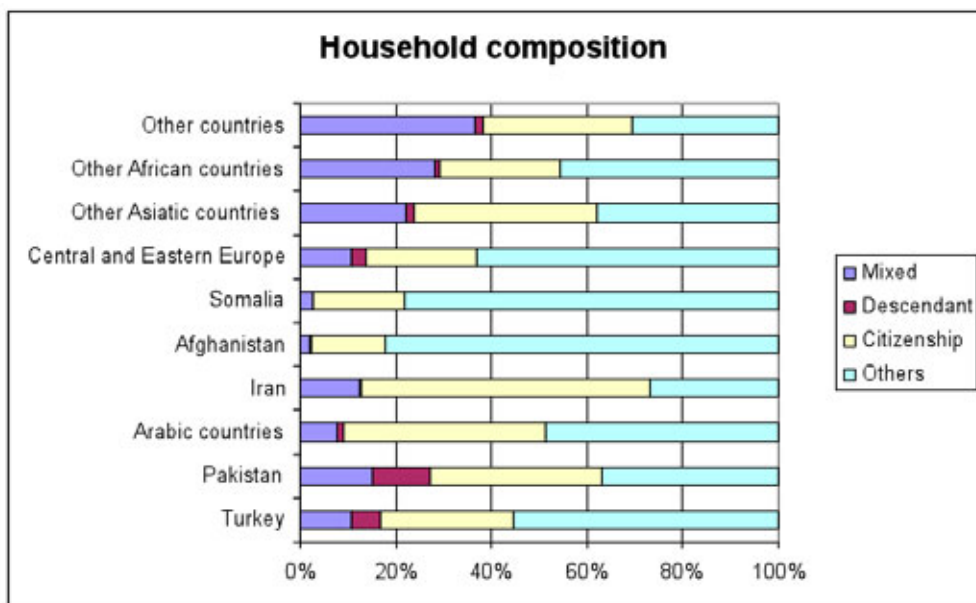


Figure 9. Households 2004 with an immigrant as main person distributed on household groups after expected degree of integration (Skifter Andersen 2006a).

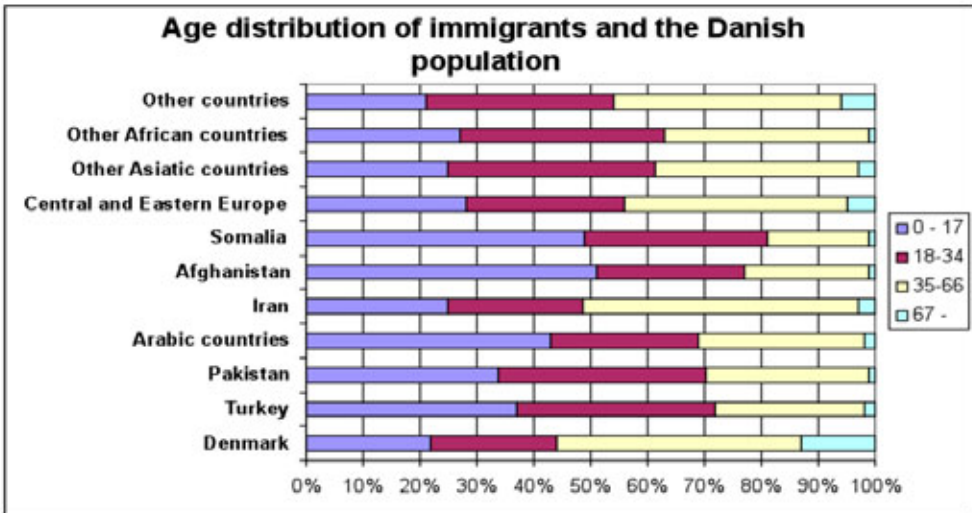


Figure 10. Age distribution 2004 for immigrant groups coming from countries outside Western Europe etc. groups compared to the national average (Skifter Andersen 2006a).

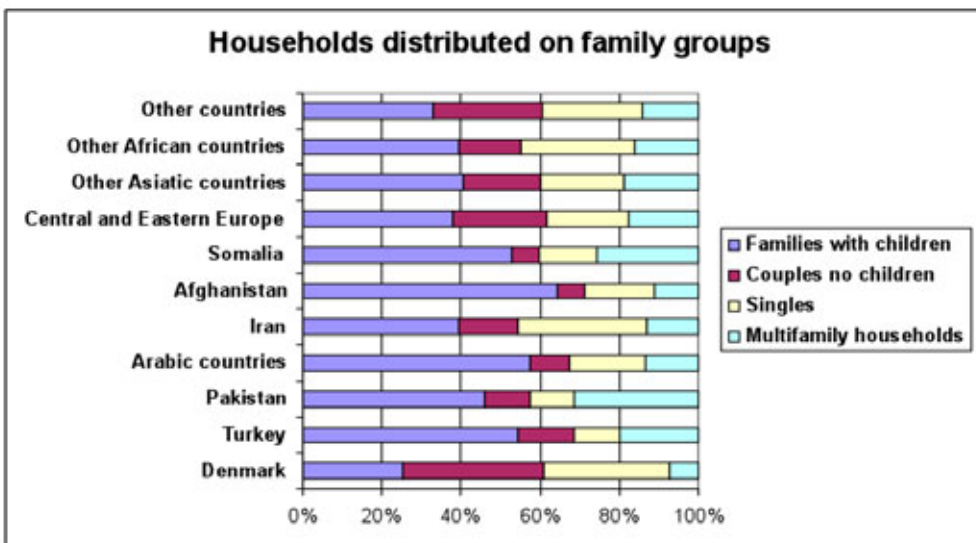


Figure 11. Households in different immigrant groups coming from countries outside Western Europe etc. distributed on family situation 2004 compared to the national average (Skifter Andersen 2006a).

labour migrants and therefore have not applied for citizenship.

The immigrant population has a very different age distribution compared to the Danish average as can be seen from figure 10. Only 22 per cent of the whole population is younger than 18 years and 44 per cent younger than 35 years. For some of the immigrant groups like the Somalis and Afghans half of the group are children and

about 80 per cent are younger than 35 years. For Pakistanis, Arabs and Turks also 70 per cent are younger than 35 years. The Iranians are the group that is closest to the national average.

In Denmark 25 per cent of the households are families with children. Among immigrants households the proportion of families with children typically is much higher as can be seen from figure 11.

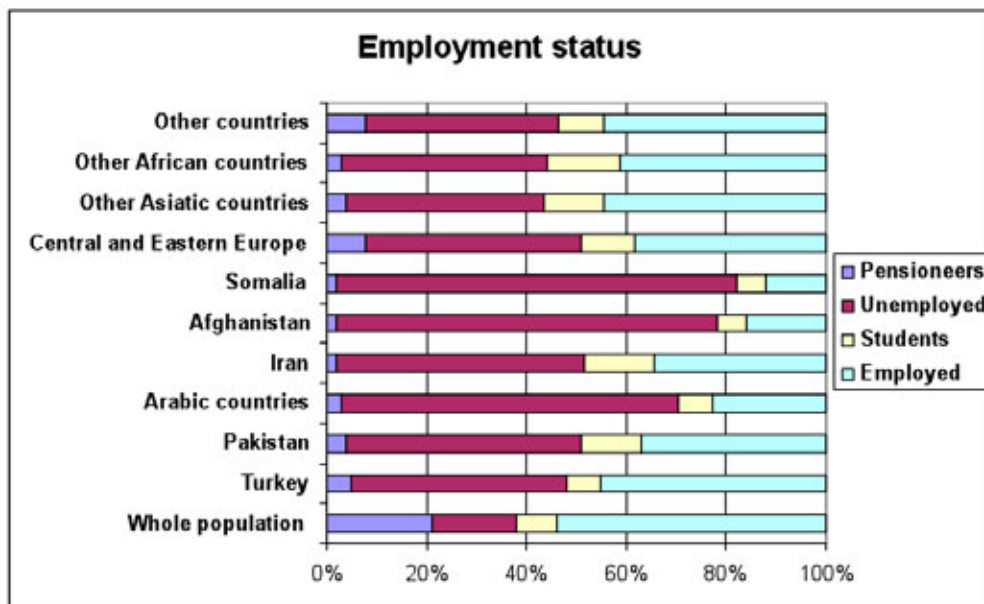


Figure 12. Employment status 2004 for different groups of immigrants 18+ years coming from countries outside Western Europe etc. compared to the whole Danish population (Skifter Andersen 2006a).

Except for Iranians the proportion of families with children is especially high in all the largest immigrant groups. Among the Afghans more than 60 per cent of households have children. For the other groups the figures are: Arabic countries 58 per cent, Turkey 55 per cent, Somalia 53 per cent, Pakistan 46 per cent and Iran 39 per cent. Also immigrant groups from other parts of the world more often have children than the Danish average. Quite a few immigrants are living as singles. This especially applies to Pakistani and

Turks, but also to Somalis and Afghans. In many cases the households consist of several families (multifamily households), where more than one nuclear family is present. Especially Pakistani, Somalis and Turks often live in such households.

There are considerable differences between the employment status of immigrants from third world countries and the rest of the population as can be seen from figure 12. For the whole population over 18 years old, 54 per cent are in employment, 21 per cent are pensioners, eight per

Table 18. Average household income (gross) in DKK 2002 for immigrants coming from countries outside Western Europe etc. compared to households with a Danish background.

	Danish background	Immigrants	Relative difference
Single without children	202	156	77 %
Single with children	257	171	66 %
Couple without children	474	307	65 %
Couple with children	631	346	55 %
Mixed households	521	437	84 %
All	394	297	75 %

cent are students and 17 per cent are others not in employment. For all immigrants from countries outside Western Europe and North America etc. only 37 per cent are employed, while 50 per cent are unemployed (besides ten per cent students and five per cent pensioners).

The employment rate varies very much between different ethnic groups. A very high unemployment is found among Somalis and Afghans followed by immigrants from Arabic countries. Also immigrants from the 'labour-immigration countries', Pakistan and Turkey have quite a high rate of unemployment (43 and 47 per cent). The figures point to the considerable problems for the Danish welfare state to create employment among immigrants.

As a consequence of the high unemployment immigrants in Denmark also have quite low incomes as can be seen from table 18. In average the household income among immigrants coming from countries outside Western Europe etc. is only 75 per cent of the average income for Danes. Among nuclear families with children it is even lower. Couples with children only have 55 per cent of the average income among Danes in the same family group.

4. Policies related to immigrants settlement and integration

4.1. The meaning of integration and integration policies

In two public 'white papers' the meaning of 'integration' of immigrants and of 'integration policies' has been discussed. In the first one (Betænkning 1337, 1997) there was made a distinction between 'cultural' and 'social' integration. While social integration includes participation in the labour market, participation in social

life and political participation, cultural integration demands the sharing of norms and values. In this white paper there was made an emphasis on social integration.

In a later government report (Tænketanken 2006), which was made after the appearance of a new government based on support from a wright-wing nationalist party, a change occurred. It was stated that greater emphasis should be made on fundamental values and norms. As an example was mentioned that a lack of equality between sexes among immigrants could hamper labour market participation and social integration. In the report seven objectives for a successful integration of immigrants were defined:

- Education and language skills
- Labour market participation
- Being self-supporting
- Absence of discrimination
- Social contacts between Danes and immigrants in daily life
- Political participation both as voters and elected

Sharing fundamental values about democracy, rights of freedom, respect for the law, human rights, equality between the sexes and tolerance to others values and norms

In the report was made an evaluation of to what degree these objectives had been reached in Denmark, which is referred last in this chapter.

Integration of immigrants is, however, only a means to fulfil other purposes. When it comes to what determines 'integration policies' two aims are of special importance. The first is the need of labour. Denmark has since the middle of the 1990s had a low unemployment rate and a lack of labour in certain parts of the economy. Therefore it has been of great importance to make use of the labour reserve among immigrants. The other important aim is to relieve the pressure on the public finances and taxes. It has been important to move immigrants from being dependant

on welfare support to be greater contributors to tax incomes.

There has also been a dilemma between integration policy and immigration policy. The new right-wing government from 2001 had as one of its main objectives to reduce immigration. One of the ways to obtain this is to make life for newly arrived immigrants as unattractive as possible to make them go back where they came from and to discourage potential immigrants. Therefore refugees should not from the beginning be allowed to establish a normal life; they should not get work and not be socially integrated in the Danish society. Objectives for immigration policies have thus overruled objectives for integration policies in the way that obstacles have been made for the integration of refugees.

The Danish integration policies can be divided in the following subjects:

- Rights for asylum seekers and rules for getting permanent residence permit
- Rules for getting citizenship
- Acknowledgement of education obtained in other countries
- Political rights
- Procedures for location of refugees with residence permit
- Integration programmes on education and job training
- Special, lower, welfare support for immigrants

4.2. The historic development in integration policies

In 1986 it was decided to start a system of spreading refugees to different municipalities. Until 1998 the system was organised by 'Dansk flygtningehjÆlp'. In principle there should be an equal share to each county but not necessarily to each municipality and refugees could to some extent choose by themselves if they had

relatives in the country. After 1998 the state has established a quota system for each county (now region) and the municipalities inside the region have to agree about the distribution of refugees.

In 1999 the first comprehensive law on integration of immigrants was passed by the parliament. It encompassed all refugees and family reunification. The responsibility was moved from Dansk Flygtningehjælp to the local authorities. The law included rules for a three year introduction programme with education and work training, which all new immigrants had to go through. In 2001 a separate ministry for integration of immigrants was established.

In 2002 it was decided that immigrants should receive less welfare payments to increase their incentives to get work. Later, in 2006, subsidies to companies, who employed new immigrants, were introduced.

4.3. The legislative framework for integration

4.3.1. Handling of asylum seekers

Asylum seekers normally are placed in an asylum centre while their case is decided by the authorities. If they have relatives in Denmark they can get permission to stay at their home. As a main rule they are not allowed to take work, which is different from the other Nordic countries. Children in the age 7-16 years are offered teaching at the centres. Some of the asylum seekers have been living for more than ten years at the centres because there has been uncertainty about to what extent they could be viewed as refugees. This especially applies to refugees from Iraq where there are different opinions on how safe it is to return to the country.

4.3.2. Rules for getting a permanent residence permit

When immigrants get a permission to stay in Denmark they in the first place only get a temporary residence permit. After seven years they can get a permanent residence permit on the assumption that:

- No 'severe' crime has been done (if there has the person can only get a permanent residence permit ten years after his release from prison)
- Courses in the Danish language and on the Danish society must have been accomplished with a passed examination
- Debt to the public must not exceed about 10,000 Euro

Moreover, the government has decided in January 2010 that before getting permanent residency permit an applicant has to score a certain amount of points earned by passing examinations in Danish language and knowledge of the Danish society plus by having employment. If they have received welfare payments in the period before the application they will be refused. All foreign citizens can be expelled from the country if they commit serious crimes.

For so-called 'well-integrated immigrants' there can be a permanent residence permit after five years. The conditions are that they have had employment in the latest three years, that they have not received any welfare payments in these three years and that they 'have achieved a substantial affiliation to the Danish society'.

In general immigrants in Denmark must have been a longer time in the country to get a permanent residence permit than in the other Nordic countries.

4.3.3. Rules and procedures for getting citizenship

The fundamental principle for becoming a citizen in Denmark is family relations. This is in

opposition to principles in some other countries where place of birth is most important. A newborn child is thus only automatically a Danish citizen if one of the parents is a Danish citizen. Other immigrants have to apply for citizenship and must be approved by the Danish parliament.

A permanent residence permit requirements:

- As a main rule the applicant must have stayed in Denmark for nine years without a break. Nordic citizens only need to have stayed two years. Refugees eight years. Immigrant married to Danish citizens between six and eight years depending of the length of the marriage
- Children immigrated before the age of 15 years can in principle be citizens when they are 18 years no matter how long time they have stayed in the country
- Immigrants that have been sentenced to at least two years of prison cannot get citizenship
- Other immigrants who have a criminal record must wait until a certain qualifying period has expired. It depends on the severity of the crime
- The applicant shall pass examinations on language skills and on knowledge on the Danish history and society
- There must not be a debt to the public in certain fields
- The applicant shall be self-supporting. He must not have received public help in the last year and only for six months within the last five years
- The immigrant shall submit a vow on allegiance and loyalty to Denmark and Danish legislation
- Adults shall as a main rule give up citizenship in other countries.

A central condition is the rule about being self-supporting. It means that immigrants, who are outside the labour market, cannot become a Danish citizen and obtain the concomitant rights.



Figure 13. The development in the number of immigrants getting Danish Citizenship (Statistics Denmark).

The political most sensitive part of the conditions is the demands to pass examinations on language and Denmark. They have been designed so difficult that even many Danes are not able to answer the questions properly. After the examinations have been implemented it has been more difficult to get citizenship and as can be seen from figure 13 much fewer immigrants have achieved citizenship since 2000. The number of immigrants from non-western countries, who achieved Danish citizenship, fell from 19,000 at the highest level in 2000 to 3,300 at the lowest in 2007.

In total about 41 per cent of all immigrants living in Denmark has received Danish citizenship. But there are considerable differences between different ethnic groups as can be seen from Figure 14.

The proportion of immigrants, who have obtained Danish citizenship, varies from only 21 per cent of the Afghanis to 81 per cent among immigrants from Lebanon, who are mostly Pal-

estinians. Two factors seem to have special importance here: duration of stay and reason for immigration. In general groups of immigrants, who came early, more often tend to be citizens, but Turks and Pakistanis, who came early as labour immigrants, only to a moderate degree have become citizens. The highest extent of citizenship is found among the early refugees from Lebanon, Sri Lanka, Iran and Vietnam. Citizenship has been obtained less often by the last refugee groups like Afghanis, Iraqis and Somalis, for whom it also has been more difficult because of the new rules since 2001.

It has also something to do with the age distribution of the groups. In general about 60 per cent of the children in these immigrant groups are Danish citizens. Among the adults only about 50 per cent have citizenship, mostly among the younger immigrants.

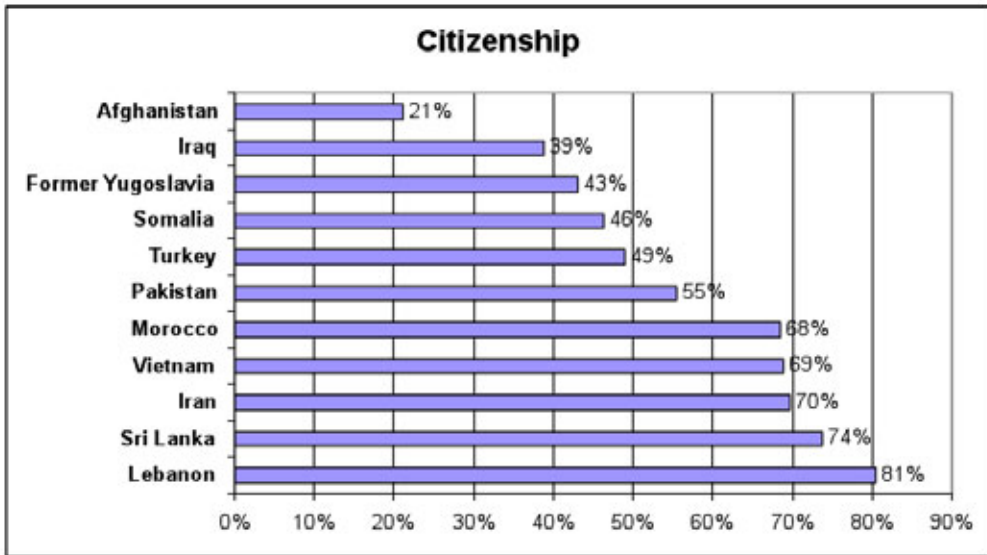


Figure 14. Proportion of immigrants in the most important groups, who have obtained Danish citizenship 2008 (Database on the Danish population established by the Danish Building Research Institute).

4.3.4. Acknowledgement of education obtained in other countries

It is very important for immigrants' possibility to make a working career that their education from the home land is acknowledged on the Danish labour market. In Denmark is established a centre in the Ministry of Education, which performs an evaluation of qualifications on the basis of diplomas and certificates from foreign places of study. The decision of the centre is important for getting access to educations in Denmark, to trade unions and to certain kinds of trades. Approval of merits from former education, when seeking place at universities and other kinds of higher education, is decided by the universities themselves. It has shown to be quite difficult for immigrants to have their education from abroad acknowledged by these rules - especially at the universities.

It is also possible for immigrants to have their qualifications proved at a so-called AMU centre or via labour work ability testing in a private company.

4.3.5. Political rights

Immigrants, who are not Danish citizens, cannot vote for the Danish parliament and for the EU parliament and cannot be elected as members. Immigrants from EU and the Nordic countries can from they arrive vote to the municipal councils. Other immigrants can do this when they have stayed in the country for more than three years before the election. They can also be elected as members of the councils.

4.4. Direct measures of integration

4.4.1. Location of refugees with residence permit

Asylum seekers, who have obtained residence permit, are allocated to Danish municipalities in accordance with a quota system for regions that tries to make an equal distribution of immigrants to municipalities, not only for spreading the costs of integration but also to avoid geographical concentrations of immigrants. The refugees are forced to stay in the selected mu-

municipality at least for three years if they want to receive public support. Denmark is the only country which has such a systematic dispersal of refugees (Tænketanken 2004).

The local authorities are obliged to assign a dwelling for the incoming refugees. They must assign to a permanent dwelling and they most often use their power to assign dwellings in social housing. There are no demands on the size and quality of the dwelling.

An evaluation of the effects of the arrangement for the location of refugees (Pohl Nielsen and Blume Jensen 2006) has showed that the rules have resulted in that many more municipalities have received refugees. And since the approval of the 'law on integration' in 1998 an increasing number of refugees choose to stay in the municipality where they were placed. However, many refugees still chose to move from the smaller towns to more urbanised areas with higher concentrations of immigrants. Another study (Skifter Andersen 2006a) has shown that this applies for all immigrants. It also showed (Skifter Andersen 2006b) that the main reason for these moves were an expectation of better opportunities for getting employment, but also that some immigrants wanted to move closer to family and friends in the cities.

4.4.2. Integration programmes in accordance with the Law on Integration

All new immigrants coming as refugees or by family reunion has to sign an 'integration contract' with the local authority in the municipality where they settle. They are based on an evaluation of the immigrants specific situation and needs in preparation for that the person in question as fast as possible can be self supporting. Among the agreements in the contract is that the immigrant participate in an 'introductory programme'. The content and rules about this programme depends on to what extent the im-

migrants are self-supporting or not. If the immigrant does not follow the agreement he can be deprived of his public support.

As a part of the agreement immigrants are obliged to follow some courses in the Danish language and on the Danish society and pass an examination. The extent of these courses is greater than in other countries and Denmark is the only country, where examination is compulsory (Tænketanken 2004).

Another part of the 'integration contract' contains agreements on upgrading of skills in preparation for employment or better jobs. It can be about education or practical training in private companies. Also in this case the immigrants can lose their public support if they do not follow the agreement. The local authorities are also obliged to offer stimulation to children in the use of the Danish language from the age of three years and arrange special courses in Danish for children in schools.

4.5. Special economic conditions for immigrants - welfare payments

Important criteria for how to design welfare payments for immigrants in Denmark (Tænketanken 2004 , 12) has been:

- If the living standard for immigrants living on public support is higher than in other countries, there is a risk of attracting more immigrants that are not able to support themselves. This will put a pressure on the public sector and the tax system
- If the difference between welfare payments and income from doing work is too small, the incentive for immigrants to 'do the hard work' to learn the language and seek work will be lower resulting in higher unemployment rates and public expenditures.

In 2002 was introduced a new rule for welfare payments to immigrants, called 'Start help'.

Table 19. The Danish 'Start help' for immigrants compared to normal Danish welfare payment and payments in some other countries 2004 (Source: Tænketanken 2004).

	Euro per month*)	Compared to 'Start help' %
'Start help'	558	100
Welfare payments Denmark	816	146
Welfare payments Sweden	630	113
Welfare payments Holland	838	150
Welfare payments Germany	511	92

*) Payments after taxes corrected for differences in purchasing power

It was considerably lower than the welfare payments it replaced (table 19). All immigrants, who had not been living in the country for seven out of the last eight years, were directed to this support. In the report from 'Tænketanken' (2004) the following comparison was made for the value of this support compared with normal welfare payments and the payments in some other countries:

Besides these special rules for newer immigrants there have also been some changes in the general rules for welfare payments, which especially affect immigrants. From 2004 the total support for a family, paid as welfare, housing allowances and others, must be below a certain limit called 'kontanthjælpsloftet'. If the limit is exceeded some of the support will be reduced. As immigrant families much more often than native Danes have two adults without work or unemployment support they are more often affected by these rules.

4.6. Effects of the Danish integration policies

In 2006 an evaluation of the Danish integration policy was made (Tænketanken 2006). It was based on a comparison of the situation in 2005 compared to 1999, but without comparison with other countries. The evaluation was related to seven goals for integration formulated (cited in the beginning of the section). The conclusions were:

Education and knowledge of the Danish language: There had been an improvement in language skills but still one third of the immigrants did not have adequate skills. The proportion of young immigrants and descendants that get an education has increased but not as much as the Danish population as a whole and there is still a marked difference between Danes and immigrants.

Labour market integration: Despite an increase in employment among immigrants there are still a large difference between the employment rate among immigrants (48 per cent in the age group 25-64 in 2005) and Danes (78 per cent). Descendants are doing better (67 per cent) but still worse than Danes.

Self support: There has been an increase in the proportion of immigrants who are self supporting, but it is still far below Danes (36 per cent in the age 25-64 compared to 59 per cent for Danes)

Discrimination: There has been a marked fall in the proportion of immigrants, who experience discrimination, but still 30 per cent express complaints over this.

Social contacts between Danes and immigrants: One of the means for this has been to get more small children to join public child care. This has improved much. But it is concluded that

the contact still is hampered because of segregation in housing and schools. A survey, however, showed that the proportion of immigrants that only had friends among other immigrants was reduced from 60 to 40 per cent from 1999 to 2005.

Political participation: Participation has improved but is still far below the proportion of Danes voting at the elections and being elected.

Values and norms: A special study was made on the values and norms of immigrants (Tænketanken 2007). The survey showed that immigrants just as often as Danes support ideas on democracy and freedom of speech, that they are more tolerant to other religions, but that they to some extent have other values concerning equal rights of the sexes and on to what extent parents should decide for their children. It is concluded that the last values are an obstacle for integration.

A comparison with other countries was made in an OECD study of 'THE LABOUR MARKET INTEGRATION OF IMMIGRANTS IN DENMARK' (OECD 2006). The conclusions of the study were:

'The labour market integration of immigrants in Denmark is not favourable. In no other OECD country are the differences between the employment rates of native-born and immigrants as large as in Denmark, and unemployment is more than twice as high among immigrants as among the native-born. The gaps in employment rates vis-à-vis the native-born are particularly high for immigrants from non-OECD countries, which account for about half of the overall immigrant stock. However, gaps in employment rates are also high for immigrants from OECD countries and their offspring. This has to be seen in light of overall high employment rates in Denmark, particularly for women. Yet, even immigrants' employment rates themselves are below those observed in other countries.'

These disappointing outcomes have to be seen in the context of a doubling of the immigrant population over the past twenty years, with particularly high immigration in the second half of the 1990s. Among the EU-15, only the

Southern European countries and Ireland experienced a larger increase in the immigrant stock in the past ten years. But the stock of foreign-born in the Danish population is still relatively low in international comparison: about 7 per cent of the working-age population compared with an EU average of about 12 per cent. In addition, the composition of migration to Denmark has been dominated by humanitarian migrants. Such migrants tend to have relatively poor labour market outcomes in most countries, particularly in the early years of settlement. Indeed, entry-category effects far outweigh the employment impact of any other socio-economic characteristic. However, other factors are at work too since labour market outcomes are also not favourable for the foreign-born from OECD countries.'

The observed high gaps in employment rates for all immigrant groups are not a new phenomenon. For more than two decades, gaps vis-à-vis the native-born have been well above 10 per cent, for both genders. This stands in contrast to a number of other European countries, where outcomes of immigrants were similar to those of the native-born until the early 1990s. This may be partly attributable to the fact that Denmark had less "guestworker" migration than other countries.'

Against the background of persistently unfavourable outcomes and a growing immigrant population, integration of immigrants has taken an increasingly prominent place in the public debate. As a result, improving the integration of immigrants, and labour market integration in particular, has become a prime objective of the Danish government. It has tackled the issue by enhancing its efforts to improve the labour market integration of already resident immigrants and their offspring by a comprehensive set of integration measures, some of which are quite resource intensive and developed. Although data are not fully comparable, it appears that Denmark invests significantly more into integration than other countries, particularly with respect to language training and targeted labour market measures. At the same time, Denmark is trying to shift the mix of immigrants by facilitating labour-market oriented immigration and restricting entry policies for other categories of immigrants, particularly for family reunification, and by introducing selection criteria for its annual intake of quota refugees - whose current employment probability is particularly unfavourable. For recent arrivals, lower social assistance applies for seven years, and participation in a three-year introduction programme is obligatory for those migrants receiving social benefits after arrival.'

This mix of restrictive entry policies and obligatory measures on the one hand and of elaborate, non-obligatory offers on the other sends an ambiguous message to resident and potential immigrants. Much is being done to integrate them, and integration is doubtlessly in their own interest, but the nature of some of the policies in place reflects the view that immigrants may not be willing to integrate into the Danish economy and society.

The three-year introduction programme consists of extensive, modular and multitiered language training and tailored labour market integration offers. Particularly noteworthy in this respect is the strong focus on labour market integration, based on the view that employment is the single most important factor contributing to successful integration. Municipalities are in charge of implementing the introduction programme, and they enjoy substantial discretion in doing so. There is a highly developed scheme of financial incentives for municipalities to foster rapid labour market integration of new arrivals.

The strong focus on employment in the integration efforts, particularly for recent arrivals, seems to have increased the employment probability of immigrants, in particular among recent immigrants from non-OECD countries. As early labour market entry has a strong impact on future employment probability, this can be anticipated to contribute positively to future integration, although it is too early yet to evaluate the long-term effect of the measures taken. However, along with the increase in employment, a growing share of recent immigrants is unemployed. Indeed, the emphasis on early employment has the risk of neglecting those groups which face particular difficulties in labour market integration, and where employment might be expected to be a more distant objective. The increase in unemployment may well reflect the increase in participation and thus the success of activation schemes but may also point to persistent difficulties in finding employment, which benefit cuts will not resolve.

There is relatively quick convergence in employment during the first few years after arrival in Denmark, but this generally tapers off after 8-10 years, leading to less-than full convergence over the medium-term. The recent policies for new arrivals seem to have increased the speed of convergence for new immigrants, but the long-term effect is not yet clear. For women, there are even indications of an increase over the medium term.

Due to a well-developed statistical and research infrastructure, the integration of immigrants has been the subject of more study in Denmark than in many other OECD countries. There is a benchmarking system in place to monitor the success of the municipalities in the labour market integration of immigrants, and to measure the impact of specific policies on labour market entry. This system has shown that after accounting for the structural conditions of the municipalities and the personal characteristics of the immigrant intake, differences in the integration performance between most municipalities are small, despite the substantial discretion which municipalities enjoy in the application of the introduction programme.

Many immigrants tend to face high net replacement rates resulting from low expected earnings and relatively generous benefits at the bottom end. However, there is no evidence that immigrants react differently to the resulting disincentives than the native-born, yet the benefit levels for recent arrivals have been lowered substantially. On the demand-side, the relatively high collectively-bargained entry wages are a concern, and may be one explanation for employer hiring reticence in the case of information asymmetries or lower initial productivity. Indeed, there is evidence that wage subsidies are much more effective for immigrants than for the native-born. However, there appears to be little reason for lower minimum wages as a hiring incentive to employers if these are not compensated by payments to the immigrant. Such measures would tend to foster potential unemployment traps, and could intensify the problem of low returns to education which employed immigrants face.

The stylised labour market integration model ("stepmodel") for unemployed immigrants in Denmark accounts for these barriers by a flexible combination of preparatory up-skilling including language training, on-the-job-training and subsequent initial wage subsidies, based on an assessment of the individual's needs and the demands of the labour market. This seems to be an effective strategy as empirical analysis shows that among the labour market integration measures taken, enterprise-based job training (privat jobtr ning) is most effective, followed by wage subsidies to employers. However, few migrants profit from these measures, and the stepmodel is not often applied. Measures should thus be undertaken to foster the provision of enterprise-based job training, and broader provision of wage subsidies could be considered. First steps in this direction have been taken by the June 2006 agreement on

welfare, which enhances the scale and scope of both of these measures.

Denmark has a dispersal policy which aims to spread out immigrants more evenly across the country. However, some of the smaller municipalities did not have much experience with immigrants in the past, and with the declining numbers of humanitarian and family reunification immigrants, small municipalities have difficulties in offering the full range of integration measures. Indeed, some of the integration measures which seem particularly effective - i.e. company-based training combined with job-specific language training - require a certain number of immigrants in order to generate scale economies. Some of these problems should be alleviated by the forthcoming municipality reform, which reduces significantly the number of municipalities. Nevertheless, empirical evidence suggests that dispersal may not always be effective, as it prevents immigrants from using their ethnic networks to get into employment. An equal geographic distribution should thus not be the sole objective and there are other factors to consider. Although the refugee's preferences as well as his/her educational needs and employment chances are taken into account in the authorities' location decisions, there seems to be a case for assessing the effectiveness of dispersal policy.

As in other OECD countries, the bulk of directly integration-related public spending is attributable to language training. The calculated norm is that immigrants in need of this may receive on average 2000 hours of such training. Although the actual average number of training hours is unknown, this clearly appears to be well above the levels in the other countries under review which provide typically between 500 and 900 hours. In contrast to the elaborate evaluations on integration measures in general, the labour market impact of language training has not been sufficiently investigated in Denmark. The available evidence to date suggests some lock-in effects related to the relatively extensive language training, i.e. language training may be provided at a level that is no longer effective, let alone efficient. Given the high cost of this measure, it is urgent to undertake some rigorous pilot studies of what might be a more optimal intensity of language training and what types of language training work best for immigrants. A study is currently being prepared which should look into these issues.'

5. Migration flows and settlement patterns within the country

A study on immigrants housing choices and moves in Denmark were conducted in 2006 (Skifter Andersen 2006a). This section is based on the study.

5.1. The spatial location of immigrants

The Danish municipalities have been divided into five groups according to their degree of urbanisation. The groups are:

- Copenhagen City: The municipalities of Copenhagen and Frederiksberg.
- Copenhagen suburbs: Municipalities in the suburbs
- Odense, Aarhus, Aalborg: The three largest provincial cities
- Other municipalities with towns larger than 15,000 inhabitants.
- Other municipalities

Below is analysed the geographical distribution of households in Denmark. Immigrants are defined as households where the person with the highest income is an immigrant or a descendant (see Chapter 2). Only immigrants coming from countries outside Western Europe and Northern America are included for analyses.

In table 20 is shown the distribution of immigrant households on the spatial defined groups of municipalities compared to the distribution of the whole population. It is shown to what extent immigrants are over-represented in the groups.

About half of the immigrants are settled in the capital region compared to only 28 per cent of the whole population. They are especially over-represented in Copenhagen City, but also in the suburbs. They are also over-represented in the three largest provincial towns, but the actual pro-

Table 20. Distribution of immigrant households from countries outside Western Europe and North America on urban location 2004 compared to the whole Danish population, measured by over-representation (Skifter Andersen 2006a).

	Immigrants	Whole population	Over-representation
Copenhagen City	27	13	108
Copenhagen suburbs	21	15	40
Odense, Aarhus, Aalborg	16	12	33
Provincial towns > 15.000	22	24	-8
Other municipalities	13	35	-63
Total	100	100	

portion of immigrants living there is only 16 per cent. In total 65 per cent are living in the capital region and the three largest provincial cities. 35 per cent are settled outside the larger cities, most of them in towns with more than 15,000 inhabitants, while quite a few lives in the smaller towns, villages and the countryside compared to the whole population.

There are, however, big differences between the spatial location of different immigrant groups. In figure 15 is shown the proportion of different immigrant groups (households) living in the capital region and the three largest provincial cities.

The highest concentration of immigrants living in the larger cities (93 per cent) is found

among the Pakistanis. They are both very over-represented in Copenhagen city and in the suburbs but not in Odense, Aarhus, and Aalborg.

High concentrations in larger cities are also found among Somalis, Iranians, Turks and Arabs. The Somalis, and to some extent Iranians, are to a great extent over-represented in Odense, Aarhus and Aalborg, less in Copenhagen City and not in the suburbs. The Turks most often are settled in the suburbs of Copenhagen, but quite a lot of them also stay in provincial towns with more than 15,000 inhabitants. Arabs most often stay in Copenhagen City or Odense, Aarhus, and Aalborg.

The groups mostly dispersed are Afghans

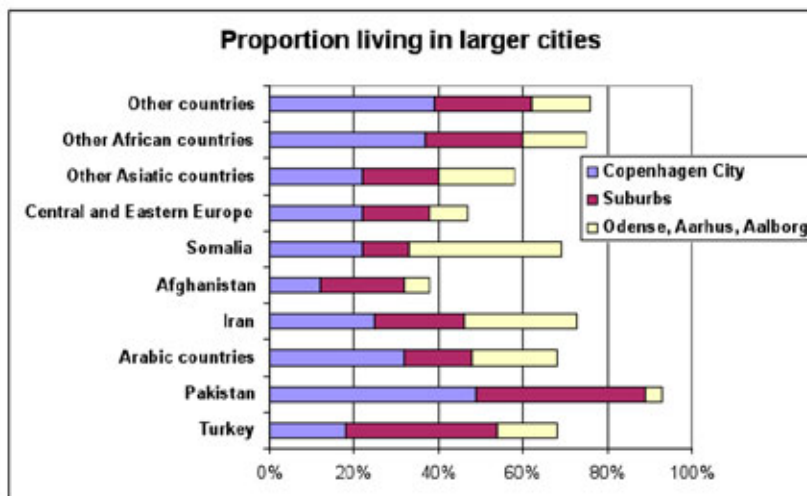


Figure 15. Proportion of different immigrants groups (households) living in either the capital region or the three largest provincial cities 2004 (Skifter Andersen 2006a).

and immigrants from Eastern and Central Europe, who in 2004 mostly were refugees from Bosnia, Kosovo etc. In both of these groups there are refugees coming lately to Denmark, which means that they have been encompassed by the refugee dispersal programme established in 1998, where new refugees were spread to all municipalities with the obligation to stay there for at least three years (see chapter 4).

5.2. The internal migration patterns of immigrants

There is a net movement of immigrants from the less urbanised parts of the country to the more urbanised as can be seen from table 21. In the table is shown the share of moving immigrants in 2002 who moved to a place located

in places with different degree of urbanisation compared to all moves in Denmark. Moreover is shown the net migration rate for immigrants measured as the difference between the number of in-movers and out-movers as a share of all moves of immigrants.

More than 40 per cent of all moving immigrants move to a place in the capital region. This is a much higher share than applies to all moves in Denmark. As a result there is a net immigration to the capital region. There is also net migration of immigrants to the three largest provincial towns.

Immigrants especially move away from the least urbanised places in smaller towns, villages and the countryside. For middle-sized provincial towns there is a positive net migration even if the number of moves to the places is below av-

Table 21. Distribution of moving immigrant households 2002 on their moving destination, compared to all moving household, plus net immigration rates for the destinations (Skifter Andersen 2006a).

The share as per cents	Immigrants Whole population	Over-representation	Net immigration rate*), immigrants	
Capital region	44	28	57	0,8
Odense, Aarhus, Aalborg	19	16	19	0,8
Provincial towns > 15.000	27	30	-10	0,2
Other municipalities	10	26	-62	-1,8
Total	100	100		

*) In-movers minus out-movers as percentage of all national moves.

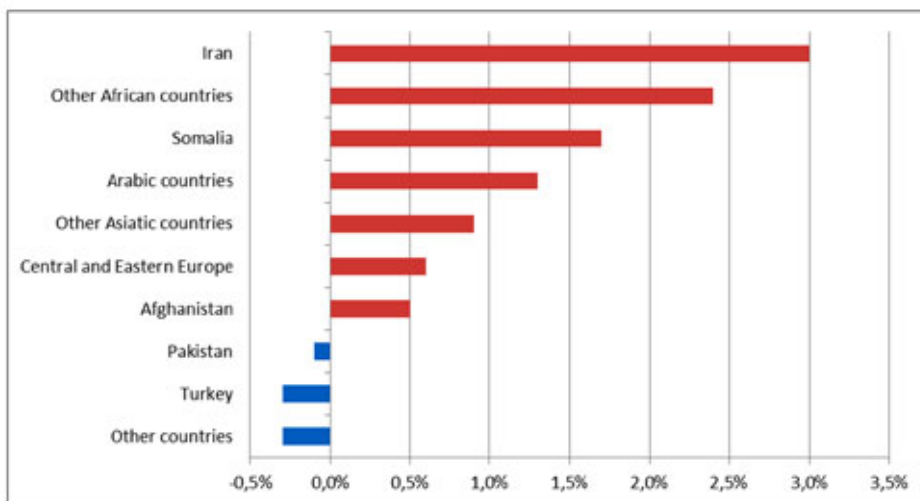


Figure 16. Net migration rates to the capital region in Denmark 2002 for different immigrant groups (Skifter Andersen 2006a).

erage. An explanation could be that immigrants more seldom move inside these areas. The trend to move towards the capital region is, however, not the same for different immigrant groups as can be seen from figure 16. The movements towards the capital region are especially strong among Iranians and immigrants from African countries. Turks and Pakistani tend to leave the capital region.

5.3. Immigrants settlement on the housing market

Immigrants in Denmark are to a very high degree concentrated in social housing as can be seen from table 22. More than 60 per cent of immigrant households (households where the person with the highest income is immigrant or descend-

ant) are living in social housing. This is three times as often as applies to the whole population. On the other hand immigrants very seldom have obtained homeownership in detached or semi-detached houses. Their appearance in private renting, co-operatives and owner-occupied flats is also lower but not so much as for homeownership. The degree to which immigrants are living in social housing varies between different groups, as can be seen from figure 17.

In general immigrants coming from countries with many refugees more often stay in social housing, but the picture is not quite clear as also immigrants from labour-immigrant countries often live in the sector. Among the immigrants from Somalia only 20 per cent are living outside the social housing sector. Moreover, refugees and immigrants coming from Arabic countries very

Table 22. Distribution of immigrant households from countries outside Western Europe and North America on housing tenure 2004 compared to the whole Danish population measured by over-representation, as per cents (Skifter Andersen 2006a).

	Immigrants	Whole population	Over-representation
Social housing	61	20	205
Private renting and co-operatives	22	26	-16
Owner-occupied flats	5	5	-13
Homeownership	10	48	-78
Others	2	2	40
Total	100	100	

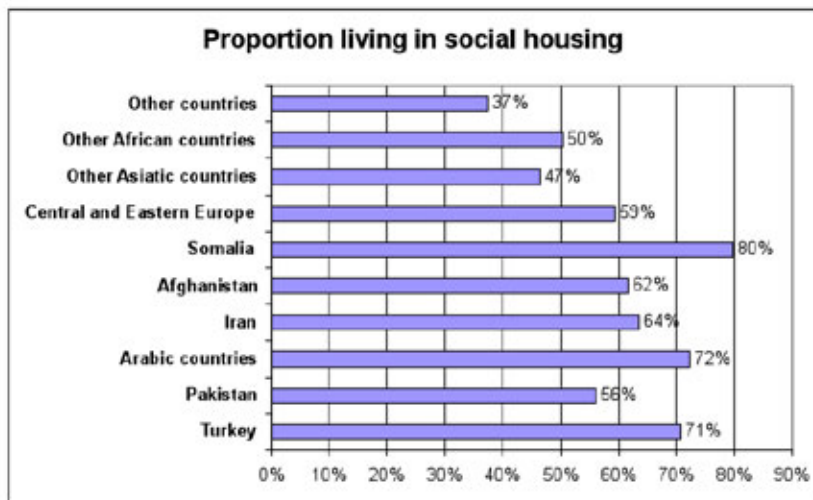


Figure 17. Proportion of immigrant households from different countries living in social housing in Denmark 2004 (Skifter Andersen 2006a).

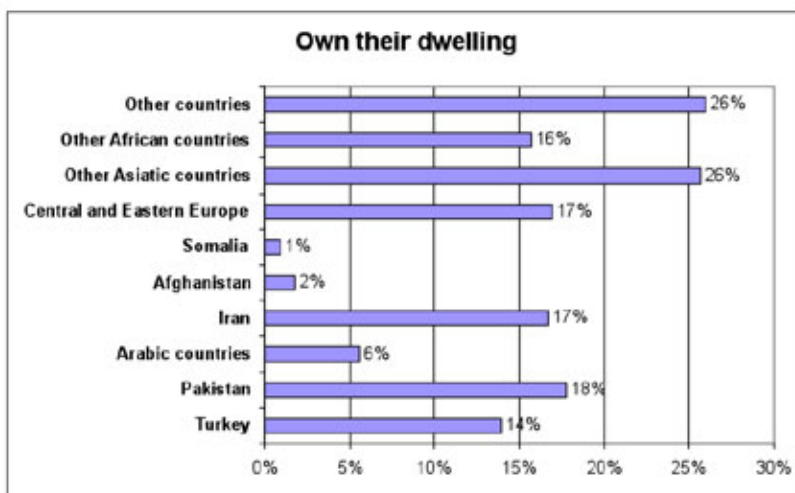


Figure 18. Proportion of immigrant households from different countries who own their dwelling (as either owner-occupied flat or detached/semi-detached house) in Denmark 2004 (Skifter Andersen 2006a).

often live in social housing. But also especially Turks, and to some extent also Pakistanis, very often are settled in the social sector.

The least dependency on social housing is found among immigrants from Eastern Asia, other African countries and other countries (mostly Latin America). But the proportion living in the sector still is very high. There are also big differences between the groups concerning to what extent they are homeowners (Figure 18).

Homeownership is most seldom found among the latest arrived immigrants coming from refugee countries. Very few Somalis, Afghans and Arabs are homeowners. A greater proportion of long-term immigrants from the labour immigrant countries Pakistan and Turkey own their home. This also applies to immigrants from Iran and Eastern Europe. Ownership is, however, most often found among immigrants from East Asia. But also for this group the homeownership rate is less than half of the Danish average.

6. Conclusions

6.1. The welfare state

A comparison of welfare payments in the Scandinavian countries in 2002 (Bonke ed. 2005) showed that Danish welfare payments have been somewhat more generous than in Norway and Sweden. Especially because of the relative high income transfers and the general character of these transfers income inequality is lower in Denmark than in most other countries. Measured among the total population Denmark has the lowest Gini coefficient after taxes and transfers among the Nordic countries. There have only been small changes in this since the 1980s. For the working age population, however, inequality has increased a little.

Compared to the other Nordic countries Denmark has, together with Sweden, the lowest poverty rate. It decreased from mid-1980s to mid-1990s, but has increased in the last ten years. In recent years some change have been made in the welfare payments, which reduce payment for long term recipients and for immigrants. These

changes will in the cause of time lead to an increasing poverty rate and increased inequality.

Denmark is one of the countries in the world with the highest labour market participation, mainly because of the high participation by women. But the growing number of older and retired people will reduce this in the future. More than half of the Danish population is on the labour market. This is at nearly the same level as the other Nordic countries, a little lower than Norway and Sweden but higher than the averages for EU and OECD. There have not been substantial changes in the last ten years before 2008, but the recent economic crisis may have expelled someone from the labour market. The unemployment rate among the labour force is quite low in Denmark compared with other countries. It has been falling until 2008, but has increased somewhat in recent years due to the economic crisis.

Denmark had a gross national income per capita 37,000 \$ in 2008, which is one of the highest in the world. It is at the same level as Sweden and Finland but somewhat lower than Norway. Large part of the national income is used as government expenditure (about 50 per cent), and as social expenditures (27 per cent). Only Sweden has higher social expenditures than Denmark while they are lower in Finland and especially in Norway. Since 1980 GDP has increased in Denmark with more than 70 per cent. Government expenditures have had a little lower increase.

6.2. Housing market and housing policy

The Danish housing policy can be characterised as more general and universalistic than in other countries in the sense that it to a greater extent are pointed at housing for the whole population and not only for vulnerable low-income groups. This means that support for housing to a great

extent also is available for middle and higher income groups, especially tax subsidies and access to social housing. Denmark has had strong social objectives for housing but not as pronounced as in Sweden. More weight has been put on the market and less state control, especially of housing finance. General tax subsidies, which have strengthened homeownership, have been extensive. But there has also been a considerable support for social housing and the sector is strong. Despite the general market orientation there has been a strong rent control in the private rented market, which is still functioning.

Denmark has about 2.5 million dwellings corresponding to 460 dwellings per inhabitant. More than half of the dwellings have four or more rooms. The average number of rooms is 1.7 per inhabitant. The housing conditions are thus quite favourable in Denmark. Only 8.3 per cent of households think that they live in an overcrowded dwelling and more than 25 per cent that their dwelling is very spacious. Nearby 60 per cent of the dwellings are in detached or semi detached single family houses.

Like many other European countries Denmark had an increase in property prices during the economic boom from the middle of the 1990s followed by a decline after 2007. However the fluctuations have been large. Because of this development the prices became very high and it became much more difficult for first time buyers to afford a home. These difficulties are especially found in the Capital Region. There are also some differences in rents between social housing and private renting, and between the Capital Region and the rest of the country. A survey from Eurostat has shown that nearby 60 per of the Danes feel their housing costs as a high or very high financial strain. This figure is high compared to other countries in the study and very high compared to the other Nordic countries.

Tenures in Denmark can be divided into five

groups: Owner-occupied houses, Owner-occupied flats, Co-operatives, Private renting and Social housing¹⁰. Compared to many other countries the share of owner-occupied dwellings is quite low. The rented sector is about 40 per cent and divided into two sectors of nearly equal size as social housing and private rented housing. Finally, there is a relatively small co-operative sector, which, however, is strong in the municipality of Copenhagen, where it constitutes about 25 per cent.

There are not supported loans nor supply or individual subsidies for owner-occupation in Denmark (except for some tax advantages for pensioners). Earlier tax subsidies were very high because all capital costs could be deducted from the taxable income. This has been very much reduced since the beginning of the 1990s.

Co-operatives are a small sector in Denmark and most of it is older housing that has been transferred from private renting. Since the beginning of the 1980s, there has been public financial support for building of new co-operatives with certain limits on the size and costs of the dwellings. This support has since 2000 been reduced to a public guarantee on loans. The prices of co-operatives are, in principle, subject to regulation. As a result, co-operatives, to a large extent, have been populated by family members or friends of previous residents. To some extents, co-operatives have been a closed sector for outsiders, especially immigrants, who do not have personal contacts to the residents living there. In recent years, regulation has been riddled for different reasons, and prices have increased to market levels in some parts of the stock, but parts of the co-operative sector are still relatively cheap.

Private renting is a somewhat diverse sector where different parts of it are subject to different kinds of regulation. About half of all private rented dwellings are subject to a strict rent control. The result of rent control is that rents tend

to be below the market level. As a consequence there is a surplus demand for private renting, especially in the cities. This means that landlords often can pick and choose between the applicants for dwellings. Tenants in private renting can get housing allowances. There are two kinds of allowances for respectively pensioners and other tenants, where the allowance for pensioners is much more favourable. The size of the subsidy is dependent on the size of the rent, the size of the dwelling, household income and household size.

In Denmark social housing is organised in non-profit housing associations. In principle the associations are private autonomous organisations but they are subject to a strict public regulation and under surveillance of local authorities. Rents in social housing are fixed in accordance with principles of financial balance between earnings and expenses on every housing estate. As the historic costs and capital costs vary between estates build in different time periods this means that rents varies in a way that is not in accordance with the variation in quality and location. New social housing is subsidised and under controlled costs. Tenants in social housing can get housing allowances with the same rules as for private renting. Tenants can also get guaranteed loans to cover the deposit. In principle all kinds of households can get access to social housing. As a main rule vacant dwellings on an estate are allocated to people on a waiting list in the specific housing association. However, there are also several other means of allocation. One is that the local authorities can dispose 25 per cent of vacant dwellings. Especially in Copenhagen there has been a high pressure on the social housing sector and the normal waiting lists have been very long resulting in many years of waiting time. It has thus been difficult for many immigrants to get access to social housing and they have only succeeded if they have accepted to wait for several years. Most Danes have

given up the waiting lists, so a relatively large proportion of people on the lists are immigrants.

In Denmark there has been an increasing segmentation of the housing market in the last 30 years in the sense that there has been a steady increase in the difference in average household incomes between the owner-occupied and the rented sector. Household income in owner-occupied houses is more than twice the income in social housing. Also incomes among households in private renting are quite low. The incomes in co-operatives are higher than in rented housing but still far below the owner-occupied sector.

6.3. Immigration and immigration policies

In connection with the high economic growth in the 1960s Danish firms actively searched for labour in other countries. In this period it was very easy for foreigners to get permission to come to the country and search for work. This was changed in 1973 when the upcoming economic crisis and increasing unemployment motivated the government to make a stop for immigration of migrant workers. Denmark also felt it as a responsibility to receive refugees from the beginning of the 1970s. The number of immigrants from the so called 'labour immigration' countries outside Western Europe (Turkey, Yugoslavia, Pakistan and Morocco) living in Denmark increased from about 40,000 in 1975 to 100,000 in 1996. The number of people, who had come from the 12 largest refugee countries increased from 2,000 in 1980 to 56,000 in 1996.

Many came by family reunion. The rules for both this and for asylum were tightened since the beginning of the 1990s and especially after 2001. As a result the number of immigrants given asylum was reduced from 20,000 in 1995 to 1,000 in 2006. Family reunions decreased from 6,000 in 2001 to 550 in 2008.

Instead immigration from the EU and labour migration in general has increased since 2001. In 2002 a 'green card' arrangement was introduced. After 2007 it became possible for everyone to come and work in Denmark in condition they provide that they would earn enough income for living. Of even greater importance was the extension of the EU with countries from Central Europe in 2004. The residence permits for education were also extended, this meant that immigration to Denmark after a short fall in 2003 increased very much. As a result of all this, total immigration to Denmark increased from 30,000 to 70,000 from 2003 to 2008.

The number of immigrants and descendants in Denmark increased from 150,000 in 1980 to 490,000 in 2009. Some of these immigrants are permanent settlers while others are only temporary in the country. Among the 20 largest immigrant groups in Denmark in 2009 are three Nordic countries (Norway, Sweden and Iceland), two Western European countries (Germany and Great Britain), three Central European countries (Poland, Bosnia and Kosovo etc.), six countries from the Middle East (Turkey, Iraq, Lebanon, Iran, Afghanistan and Morocco), one from Africa (Somalia) and five from Eastern Asia (Pakistan, Vietnam, Sri Lanka, China and Thailand). The Turks are the largest group followed by Germans, Iraqis and Poles.

The immigrant population has a very different age distribution compared to the Danish average. They are more often children, and also the adults are younger. There are considerable differences between the employment status of immigrants from 3rd world countries and the rest of the population with many more people outside the labour market. As a consequence of the high unemployment immigrants in Denmark also have quite low incomes. Couples with children only have 55 per cent of the average income among Danes in the same family group.

6.4. Policies related to immigrants settlement and integration

Two objectives have been of special importance for integration policies in Denmark. One is that full employment has made it of great importance to make use of the labour reserve among immigrants. The other important aim is to relieve the pressure on the public finances and taxes. It has been important to move immigrants from being dependant on welfare support to be greater contributors to tax incomes.

There has been a dilemma between integration policy and immigration policy. From 2001 the government had as one of its main objectives to reduce immigration. One of the ways to obtain this is to make life for newly arrived immigrants as unattractive as possible to make them go back where they came from and to discourage potential immigrants. Therefore refugees should not from the beginning be allowed to establish a normal life; they should not get work and not be socially integrated in the Danish society. Objectives for immigration policies have thus overruled objectives for integration policies in the way that obstacles have been made for the integration of refugees.

In 1999 the first comprehensive law on integration of immigrants was passed by the parliament. It encompassed all refugees and family reunification. The responsibility was moved from a private organisation to the local authorities. The law included rules for a three year introduction programme with education and work training, which all new immigrants had to go through. In 2001 a separate ministry for integration of immigrants was established. In 2002 it was decided that immigrants should receive less welfare payments to increase their incentives to get work. Later, in 2006, subsidies to companies, who employed new immigrants, were introduced. Immigrants in Denmark must have been a longer

time in the country to get a permanent residence permit that in the other Nordic countries and the conditions for getting it are more difficult.

The fundamental principle for becoming a citizen in Denmark is family relations. This is in opposition to principles in some other countries where place of birth is most important. The rules for getting access to citizenship are very demanding and have been tightened during the years. As a result the number of immigrants from non-western countries, who achieved Danish citizenship, fell from 19,000 at the highest level in 2000 to 3 300 at the lowest in 2007. Only about 41 per cent of all immigrants and descendents living in Denmark have received Danish citizenship.

After 1998 the state has established a quota system for each county (now region) and the municipalities within the region have to agree about the distribution of refugees. This system has in the first place resulted in that many more municipalities have received refugees. However, many refugees still chose to, after three years, to move from the smaller towns to more urbanised areas with higher concentrations of immigrants.

All new immigrants coming as refugees or by family reunion has to sign an 'integration contract' with the local authority in the municipality where they settle. Among the agreements in the contract is that the immigrant participate in an 'introductionary programme'. As a part of the agreement immigrants are obliged to follow some courses in the Danish language and on the Danish society and pass an examination. The extent of these courses is greater than in other countries and Denmark is the only country, where examination is compulsory. Another part of the 'integration contract' contains agreements on upgrading of skills in preparation for employment or better jobs. It can be about education or practical training in private companies. Also in this case the immigrants can lose their public support if they do not follow the agreement.

In 2002 was introduced a new rule for welfare payments to immigrants, called 'Start help'. It was considerable lower than the welfare payments it replaced. All immigrants, who had not been living in the country for seven out of the last eight years, were directed to this support. This reduces welfare payment for immigrants with more than 30 per cent and results in that the families come beyond the poverty line.

Despite an increase in employment among immigrants there are still a large difference between the employment rate among immigrants and Danes. There has been an increase in the proportion of immigrants who are self supporting, but it is still far below Danes. Descendants are doing better (67 per cent) but still worse than Danes. An OECD report concludes *'The labour market integration of immigrants in Denmark is not favourable. In no other OECD country are the differences between the employment rates of native-born and immigrants as large as in Denmark'* and *'This mix of restrictive entry policies and obligatory measures on the one hand and of elaborate, non-obligatory offers on the other sends an ambiguous message to resident and potential immigrants. Much is being done to integrate them, and integration is doubtlessly in their own interest, but the nature of some of the policies in place reflects the view that immigrants may not be willing to integrate into the Danish economy and society'*.

6.5. Migration flows and settlement patterns within the country

About half of the immigrants are settled in the capital region compared to only 28 per cent of the whole population. They are especially over-represented in Copenhagen City and in the three largest provincial towns. There are, however, big differences between the spatial locations of dif-

ferent immigrant groups. The highest concentration of immigrants living in the larger cities (93 per cent) is found among the Pakistanis. High concentrations in larger cities are also found among Somalis, Iranians, Turks and Arabs.

There is a net movement of immigrants from the less urbanised parts of the country to the more urbanised. Immigrants especially move away from the least urbanised places in smaller towns, villages and the countryside. The movements towards the capital region are especially strong among Iranians and immigrants from other African countries, followed by Somalis and Arabs. Turks and Pakistani tend to leave the capital region.

More than 60 per cent of immigrant households are living in social housing. This is three times as often as applies to the whole population. On the other hand immigrants very seldom have obtained homeownership in detached or semi-detached houses. Their appearance in private renting, co-operatives and owner-occupied flats is also lower but not so much as for homeownership. In general immigrants coming from countries with many refugees more often stays in social housing, but the picture is not quite clear as also immigrants from labour-immigrant countries often live in the sector.

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Contextualising ethnic residential segregation in Norway: welfare, housing and integration policies

Susanne Sørholt and Terje Wessel***

**Norwegian Institute for Urban and Regional Research*

*** Department of Sociology and Human Geography, University of Oslo*

Country report for Norway

Contextualising ethnic residential segregation in Norway: welfare, housing and integration policies

Susanne Søholt and Terje Wessel***

**Norwegian Institute for Urban and Regional Research*

*** Department of Sociology and Human Geography, University of Oslo*

1. Welfare in Norway

Terje Wessel

1.1. Income inequality and poverty

Norway ranks close to the top of the OECD league in terms of gross domestic product (GDP), labour productivity and labour productivity growth (OECD 2009; St. meld. 9 2008-2009). This favourable situation reflects, of course, a significant rise in oil and gas revenues. Currently, the petroleum sector accounts for more than 20 per cent of total GDP and approximately half of total export.

The implications of an open and growing economy are diverse and difficult to grasp. It has, no doubt, become harder to maintain egalitarian principles and practices. This is evident in several sorts of statistics, particularly income statistics. The country as a whole has experienced a marked growth of income inequality since the late 1980s. The Gini coefficient for household disposable income grew from 0.208 in 1986 to 0.240 in 1996 and further to an average of 0.269 during 2004-2007 (Table 1). The latter figure reflects huge fluctuations from year to year due to changes, and reported changes, in the capital gains taxation. The interplay between capital gains and capital gains taxation played a similar role in the early 1990s, when issues of economic inequality sparked a prolonged debate about distribution, equity and poverty. An often heard argument is that earnings inequality remains stable due to tripartite co-operation and long-term

low-wage policies. This may have been true until the late 1990s, but not any longer. The Gini coefficient for wage inequality among full-employed employees grew from 0.165 in 1997 to 0.191 in 2007 (St.meld. 9 2008-2009). Equally important, a narrow focus on wage does not capture all premiums in the labour market. Many of the expanding sectors rely on low-priced shares, stock options and beneficial savings schemes as part of the reward structure.

Norway has thus changed its position in the league tables of income inequality. Sweden, Denmark and Norway used to appear in one end of the OECD ranking, as the most equal societies. The latest report (OECD 2008), by contrast, places Norway behind 10 countries on a similar ranking and behind 13 countries on a ranking based on the squared coefficient of variation (SCV). Much of the change in Norway has occurred at the top end of the distribution, partly through upward mobility and partly through increasing income in the upper stratum. These types of change are effectively captured by the SCV measure, which concentrates on differences from the mean.

It might be seen as a mitigating circumstance that poor households enjoy a certain amount of protection in restless times (e.g. 'industrial shift', trade union decline, fluctuating international markets, accelerating globalisation, etc.). The lowest decile has seen only a slight reduction (11 per cent) in its share of all incomes over two decades. A staggering 59 per cent of all incomes in the lowest decile are public transfers (St. meld. 9 2008-2009), which clearly indicates the role of

Table 1. Measures of income dispersion. Household equivalent income between persons.

	Early 80s	Mid 80s	Mid 90s	Mid-2000s
Gini coefficient*		0.208	0.240	0.269
Gini coefficient**		0.234	0.256	0.276
Gini coefficient***	0.243	0.230		
Squared coefficient of variation**		0.278	0.301	0.456
Interquintile share ratio*		2.9	3.4	3.8
Interquintile share ratio**		3.4	3.8	4.0
Decile 1: share of all incomes*		4.5	4.2	4.0
Decile 10: share of all incomes*		18.1	21.1	24.1

*Students are excluded. Year of registration: 1986, 1996 and an average for 2004-2007. Equivalent income is based on the EU-scale, which consists of the following weights: 1.0 for the first adult, 0.5 for every additional adult and 0.3 for every child. Source: Statistikkbanken (Statistics Norway), Income statistics for households (http://www.ssb.no/iffor_en/) and St.meld. 9 2008-2009.

** Students are included. Year of registration: 1982, 1986, 1995 and 2004. Equivalent income is based on the square root of the household size, without any distinction between adults and children. Source: OECD 2008.

*** Students are included. Year of registration: 1982 and 1986. Equivalent income uses the following weights: 1.0 for the first adult, 0.7 for every additional adult and 0.5 for every child. Source: NOU 1993:17.

government policies. Some experimental calculations show that the Gini coefficient increases by 0.154 if all taxable transfers are excluded, and by 0.022 if all tax-free transfers are excluded (NOU 2009:10).¹ Another relevant comparison is the 'risk-of-poverty rate' before and after social transfers. Norway figures on this measure (2006) with the highest re-ranking effect of the Eurostat countries, followed by Sweden, Denmark and Finland.²

Poverty varies a lot between demographic and social groups, and over time for these groups. A much applied approach in such research measures prolonged periods of low income, for instance the per centage of people with less than 50 per cent of median income (the OECD-scale)

over a three year period. This share is quite low in Norway, but it hovers at a higher level than ten years ago. It has also grown among non-western immigrants, although not since 2002-2003 (Table 2). The level as such (20 per cent during 2004-2006, compared to 2.3 per cent in the whole population) reflects a combination of several factors: low participation in paid work, over-representation in non-standard employment and a large share of young adults respectively child-rich families. Looking forward, there are many positive signs. Young adults of non-western origin have a participation in work and education (chapter 3) that is likely to trigger upward mobility. It is, on this basis, hard to see massive poverty and exclusion as a suitable scenario.

Some other details emerge if we shift to the EU-scale, which gauges the proportion of people with permanent income less than 60 per cent of the median. A large number of old-age pensioners fall below this threshold. The trend among old-age pensioners, however, is positive (Table 2). New cohorts enter retirement age

¹ Taxable transfers include old-age pension, unemployment benefit, vocational rehabilitation benefit, disability benefit, sickness and maternity benefit, benefit to single parents and occupational pension. Tax-free transfers are: social security, housing allowance, child benefit, child support and cash benefit for parents of infants (one to three years).

² The ranking is based on tsis20 and tsis030 in the Eurostat series. Both estimates relate to equivalent disposable income.

Table 2. Persistent low income in particular groups, measured in per cent (St. meld. 9 2008-2009).

	1997-1999	2000-2002	2002-2004	2004-2006
OECD-scale*				
The whole population	2.3	2.7	3.6	3.8
Single parents	3	3	7	6
Couples with one child	1	1	1	2
Couples with three children +	3	4	8	6
Old-age pensioners	1	1	0	1
Young single adults	8	8	9	9
Non-western immigrants	15	21	24	20
EU-scale**				
The whole population	9.0	9.0	9.6	9.3
Single parents	9	7	17	14
Couples with one child	2	2	2	4
Couples with three children +	4	6	9	9
Old-age pensioners	28	25	22	18
Young single adults	17	21	22	22
Non-western immigrants	28	31	37	32

*More than 50 per cent below median income.

** More than 60 per cent below median income

with more pension points than the older, fading generation.³ This group has also received special privileges through the tax system (e.g. a lower social security contribution and a specific allowance for age and disability). A rather different pattern exists for single parents and multiple-child families. Both of these groups have grown in numbers while simultaneously losing ground in the state budget.⁴ Fortunately, both groups are compensated through the production and distribution of municipal services (St. meld. 9 2008-2009). They will also benefit from a pending improvement in the structural basis of the minimum pension.

3 This is a classic cohort effect because older pensioners were unable to obtain supplementary pension points in a large part of their working career. The watershed year is 1967, when a national insurance scheme was introduced in Norway.

4 The effect among multiple-child families depends on the age of the children. Some families have gained through an extension of the child benefit in 2000 (from 16 to 18 years). Others have gained through the introduction of cash benefit for infants, starting in 1998. Many large families, however, are budget-losers because the child benefit has declined both in real and relative terms (Epland and Kirkeberg 2007).

A final point concerns the urban dimension of inequality and poverty. The Gini coefficient for household disposable income grew by 8.8 percentage points in Oslo during 1986 to 1996, compared to 3.5 in Norway as a whole. Later research has highlighted the importance of industrial shift and labour market dynamics. Rising inequality is closely linked to the growth of producer services and, to a lesser extent, high-tech trade and high-tech manufacturing (Wessel 2005). There is also a clear-cut demographical pattern, where Norwegian men and immigrant men of western origin converge on the growing sectors, slowly followed by Norwegian women. Non-western immigrants and female western immigrants are increasingly over-represented in the stagnating, traditional sectors (Wessel 2010). These sectors are marked by a slow growth of factor income, a high degree of union density ('unionisation') and union coverage (number of workers covered by a union contract) and a stable level of income inequality. One could thus argue that economic change and labour market mobility combine to

create a slightly ‘dualist’ economy.

As for poverty, Oslo now appears as an outlier. The proportion of poor households is highest in Oslo whether one uses a country-specific or a region-specific definition of low income.⁵ The latter approach includes housing costs, and was used by Langørgen et al. (2003), who found large differences among cities and regions/counties. Using the EU-scale, the largest cities had the following figures: Oslo: 8.3 per cent, Bergen: 3.7 per cent, Trondheim: 3.7 per cent and Stavanger: 3.6 per cent. A similar pattern appeared in a recent report on child poverty. The share of children living in poor households (the EU-scale) is 14.7 per cent in Oslo, compared to 7.9 per cent in Norway as a whole (Nadim and Nielsen 2009). It is important to note that poverty rates vary enormously within the Oslo region. The figures above all relate to the municipality of Oslo. The surrounding hinterland (Akershus) has a level of child poverty *below* the national average.⁶

1.2. Employment and unemployment

The introduction of performance-based pay schemes and a ‘shareholder value culture’ in parts of the economy represents a profound challenge to the existing labour market system. A crucial feature of this system is a dense web of connections between confederations of trade unions, enterprise organizations and the government.

Norway’s model of labour relations might be seen as a sub-type of the broader Nordic model. What differentiate Norway from its Nordic neighbours is a slightly greater state presence in bargaining, dispute resolution and the production of social welfare schemes. Some authors (Sives-

ind et al. 1995) have suggested that Norwegian labour relations reflect a fragmented organizational structure, with a rich ecology of institutions, ad hoc committees and work councils. A related point concerns the importance of late and limited industrialization. The Norwegian system grew out of a complex coalition between labour, farmers and fishermen (Rokkan 1987). Accordingly, labour market policy in Norway is intimately intertwined with regional policy. It remains a key task to create jobs in all parts of the country, and thus to sustain a scattered pattern of settlement.

The windfall gains in oil and natural gas has created a larger disparity between Norway and the Nordic neighbours. During the 1990s Norway developed a ‘solidarity alternative’ policy which aimed to increase cost competitiveness by 10 per cent over a five-year period (NOU 1992: 26). Norway could thus maintain ‘old’ corporatist policies in a period when Sweden and Denmark pursued a policy of decentralisation and sector-based co-ordination (Dølvik 2008). There is a distinct political touch to this course of action: it was launched and implemented by a labour government and it contrasted with liberal policies in the preceding decade. A ‘non-socialist’ government, which ruled from 1981 to the spring of 1986, introduced a policy of deregulation, credit-financed private consumption and increased capital mobility. With falling oil prices and increasing private debt (negative household savings), the recession in the late 1980s hit Norway hard. Investments in the mainland economy sunk by 30 per cent from 1987 to 1989 (Rødseth 1997), and a long-term regime of full employment came to an end.

The solidarity approach delivered impressive results in the mid 1990s. At its peak (August 1993), unemployment reached a level of 6.8 per cent of the labour force, or 9.4 per cent if we count participants in active labour market schemes. At

5 A regional frame of reference improves the comparability of living standards.

6 There is in this respect a difference between income inequality and poverty: rising income inequality, particularly top-end inequality, appears both in the inner and the outer city.

the end of the decade, Norway was approaching a new era of great internal demand, favourable inflation⁷ and low unemployment. This restoration of an old path contrasted sharply with the major trend in advanced economies. Still, comparing the 1970s and the 2000s decade, a repetition story is misleading on several counts. First, unemployment is now fluctuating over a wider range than 30-40 years ago. The numbers in open unemployment have varied by up to 45 per cent on a yearly basis, compared to an almost flat level throughout the 1970s.¹⁸ Second, while Norway may be seen as a 'success country' (Freeman 1997), it has not managed to avoid inter-union rivalry and a slow breakdown of the 'solidarity alternative'. In other words, it has become harder to maintain order and agreement within the labour movement, for instance between academics and poorly educated groups, or between stagnant and growing sectors. A case in point is the business services sector. Approximately 5-6 per cent of employees in KIBS industries ('knowledge-intensive business services') belong to a union within the Norwegian Confederation of Trade Unions (LO), compared to 33 per cent in the private sector as a whole (Andersen 2003; Neergaard and Aarvaag Stokke 2005). Dominating unions in the KIBS segment are typically based on skill or profession, targeting lawyers, scientists, engineers, architects, business school graduates, economists, etc. Such unions have pushed towards performance-based pay, which increases the tendency towards fragmentation and disruption. And, to drive the point further, a similar pattern exists on the employers' side: many KIBS firms refrain from joining the Confederation of Norwegian Business and Industry (NHO).

7 Inflation varied between 4 and 12 per cent in the 1970s. Comparative figures in the rest of Europe were slightly higher.

8 There is one minor exception: the unemployment rate grew from 0.6 per cent in 1974 to 1.1 per cent in 1975.

These changes have not yet threatened the legacy of egalitarianism in labour market policies. Moreover, Norway has managed pretty well during the current economic crisis. Unemployment was pushed up to 3.3 per cent in November 2009, but has not increased further. Likewise, there is hardly a pending transformation of actual unemployment into structural unemployment (i.e., the 'hysteresis effect'). The problem of institutional change lies more with long-term competition and the ability to curb industrial conflicts and wage drift. This implies that ties and solidarity in the labour market, including the silent contract between 'employed insiders' and 'unemployed outsiders', depends more and more on state intervention.

A somewhat diffuse part of the changing industrial relations concerns the 'gender order' (i.e. the patterning of gender in the labour market model). Norwegian men have, as noted above, moved swiftly towards high-growth and profitable sectors. There are some signs of a female 'catch-up effect', but it remains unclear whether KIBS industries, or the broader KISA segment ('knowledge-intensive service activities'), provide a platform for improved gender equality. A plausible hypothesis might be that gender segregation - the proportion of men and women in different occupations and sectors - decreases. Young women are increasingly drawn towards male-dominated occupations (Teigen 2006), even if they avoid money-spinning activities (Birkelund et al. 2000).

The present pattern of gender relations is complex and multi-faceted. Rising female employment (Table 3) has not been followed by a comprehensive shift in women and men's place in the occupational structure. Women dominate among salaried employees at low and middle levels, often in the public sector (Ellingsæter and Rubery 1997). This pattern is not unique for Norway; it is rather a typical outcome in countries

Table 3. Employment statistics of Norway.

	1970	1980	1984	1988	1992	1996	2000	2004
Overall employment rate*	66.9	70.4	72.2	74.3	70.6	76.5	76.6	74.5
Employment rate men*	87.8	82.5	81.4	81	75.6	81.7	80.3	77.2
Employment rate women*	45.8	58.2	62.9	67.4	65.5	71.1	72.9	71.6
Overall unemployment rate*	0.7	1.3	3.3	2.3	6	4.1	2.7	3.9
Unemployment rate men*	0.9	1.2	3.5	2.5	5.3	4.2	2.9	4.1
Unemployment rate women*	0.5	1.1	3	2	4.4	3.9	2.4	3.5
Overall employment rate**							77.5	75.1
Employment rate men**							81.3	77.9
Employment rate women**							73.6	72.2
Harmonised unemployment rate***					6.5	4.8	3.2	4.3
'Dependency burden'*	1.38	1.14	1.1	0.99	1.13	1.05	0.97	1.01
'Dependency ratio'	58.7	57.7	55.4	53.2	53.3	53.8	53.7	52.4

*Source: Statistics Norway (Statistikkbanken/Statistisk Årbok, Historisk Statistikk, Arbeidsmarkedsstatistikk). Age span for employment rate and 'dependency ratio': 16-66. Age span for 'dependency burden': 16-74 (i.e. employed persons between 16 and 74 years).

** Source: Eurostat. Age span: 15-64.

***Source: OECD 2009.

that have made the transition to a dual breadwinner system. What is peculiar, perhaps, is that gender segregation has persisted in a period of changing work-strategies: Norwegian women are increasingly seeking full-time work. The full-time rate (i.e. the share of women working 37 hours or more) grew from 47 per cent in 1980 to 52 per cent in 1990 and further to 60 per cent in 2009. Young women, in particular, reject part-time work, and are helped in their decision by three welfare state arrangements: an inclusive system of child care, a generous maternal/paternal leave system and a tax system based on joint taxation for spouses. Important also, the gender wage gap between men and women who work in the same position and establishment is quite small (Petersen 2002).

Female labour market participation is thus a long-run process which revolves around time, pay and skill. Summing up the post-war period, one might identify three stages of integration. The first stage, roughly from 1945 to the late 1960s, had the following characteristics: low employment rate, sharp occupational segregation, poorly developed services, crude

employment regulation and significant gender wage inequality. The next stage covers one a half decade and is characterised by a massive growth in women's employment (particularly part-time employment),⁹ extension of reproductive rights, 'normalization' of part-time work,¹⁰ unionisation and increasing relative pay.¹¹ Some structures remained intact, however. Women were still highly concentrated in specific industries and occupations (i.e. horizontal segregation). Women were also poorly represented in upper-level positions (i.e. vertical segregation). Finally, moving to the third stage, a dual work/family strategy emerged as the dominating norm: the majority of mothers continued to work after child-birth, often in full-time position. Further developments in union participation, public services, individual rights and wage mobility have consolidated the existing order.

⁹ Females account for 90 per cent of the growth in employment between 1970 and 1990.

¹⁰ This process involved a transition from temporary to permanent employment, and, secondly, an improvement in contractual rights and working conditions (Ellingsæter and Rubery 1997).

¹¹ The overall gender wage gap has decreased since the early 1970s (Bojer 2005; 2009).

It remains to see whether a fourth stage has commenced. The growing interest in male-dominated occupations might suggest a future reduction in gender segregation. A legislative change in 2002 pushes and pulls in the same direction: from 2008 onwards all listed companies on the Oslo stock exchange have to fill 40 per cent of the board seats with women. A lot of noise has occurred around this change, from stubborn resistance to enthusiastic commitment. What is clear, at least, is that significant numbers of women are breaking through the glass-ceiling.

Increasing female employment is usually discussed in terms of equality and participation. But it has some other meanings as well. It implicates, for instance, that a larger proportion of the population is contributing to measured productivity. The burden falling on employed labour to provide for 'dependent' sections of the public is improved or stabilized. This is brought out in the second last row of table 3. The ratio between non-working and working sections of the public ('the dependency burden') follows a familiar pattern of long-term decline punctuated by episodes of increase. The declining tendency is a side-effect of increasing female employment and decreasing younger cohorts. We also note a changing relation between people in 'productive' respectively 'dependent' ages. The 'dependency ratio' has declined since the mid 1960s, entirely due to falling birth-rates. The 'old-age dependency ratio', by contrast grew steadily throughout the 1960s and 70s, and has fluctuated over a 10 per cent range (i.e. below 1.5 per centage points) for the last 30 years.

1.3. Social welfare

Labour market institutions are logically linked to particular welfare policies and expenditures. A useful distinction in this context relates to the redistributive and the insurance views of wel-

fare policy. The former is fundamentally about the redistribution from rich to poor, independent of labour activity. The second set, by contrast, reflects the need to protect against risks that private insurance markets fail to cover (Moene and Wallerstein 2001). These views tend to co-exist in the same nations, and have opposite implications for the relationship between pre-tax inequality and redistributive policies. One would expect, theoretically, an increasing support for welfare spending when pre-tax inequality rises. Countries with equal wages would thus spend less on welfare programmes targeted at persons without employment. Such countries may, however, have a huge demand for social insurance spending. Responding to this demand, they therefore end up with a combination of compressed wages and generous benefit programmes (Moene and Wallerstein 2000).

Norway is a good example of social insurance policies. The risk of income loss has remained a dominating concern in Norwegian welfare policy through upturns and downturns. A crude impression of this tradition is given in table 4. Following Moene and Wallerstein (2001), 'insurance benefits' cover six types of expenditure: unemployment benefit, labour market programmes, sickness benefit, vocational rehabilitation benefit, disability benefit and survivor's benefit.¹² The ensuing category makes up 60 per cent of public household support, and 10 per cent of mainland-GDP. The share of mainland-GDP has actually grown since 1980, largely due to expenditure increases in sickness benefit, vocational rehabilitation benefit and disability benefit. Unemployment benefit and labour market programmes represent a more fluctuat-

¹² Moene and Wallerstein also include services for the disabled and elderly. It can be argued that this benefit aims at the whole population, given a mixture of functional and demographic criteria. Similar arguments exclude old-age pension, health care, housing benefits and education from the measure.

Table 4. Welfare expenditures as a percentage of GDP (Statistics Norway: Historisk Statistikk 1994: Table 23.5; Statistikkbanken: Tables 03659 and 07335).

	1980	1985	1990	1995	2000	2005	2007
Public household support: per cent of total GDP	11.3	11.7	15.8	15.4	13.3	13.3	12.3
Public household support: per cent of mainland GDP	13.7	14.5	18.4	18	17.5	17.8	16.1
Insurance benefits: per cent of total GDP	6.5			8.1			6.3
Insurance benefits: per cent of mainland GDP	7.6			10.8			9.5
Public expenditures: per cent of total GDP	41.3	41	48.8	45.5	37.9	41	39.8
Public expenditures: per cent of mainland GDP	50	50.9	57.5	53.3	50.3	55	52.3

ing type of expenditure, which corresponds to labour market trends (see Table 3). A reduction in these costs explains the relative reduction in insurance benefits from 1995 to 2007. Moreover, and importantly, it is the main factor behind the changing balance between private and public activities (OECD 2003).

A focus on insurance benefits is obviously not sufficient. Redistributive policies and norms are highly important features, particularly in relation to each end of the income scale. The rich face little risk of income loss, and may rely on private insurance, while the poor receive predictable transfer payments (Moene and Wallerstein 2001).

There have been some changes in redistributive policies over the last decades. A more selective approach has emerged in housing policy, social services and elderly care (Stamsø 2005; Hansen 2005). Such changes have often been supplemented by changes in the organizational and financial basis of public services. Some services have been decentralized, others have been centralized. The 'tool box' also includes 'new public management', i.e. a set of reforms centring on cost-efficiency, privatization, administrative specialization and competition within the public sphere. Still, notwithstanding some efforts to depart from the beaten path, Norway remains a state-dominated welfare nexus. Pressures for

reforms and new priorities tend to collide with existing practices and institutions, partly at a national and partly at a sub-national level. The risk of income loss is often at the centre of attention, and evokes strong feelings within the labour movement. Thus, contrary to most European nations, and contrary to requests from OECD, a full-scale sickness benefit (working from day one) is still enjoyed by all Norwegian employees. The criteria pertaining to disability benefit have been changed a couple of times, but these are minor adjustments. The expenditures in the sickness benefit system have kept rising, despite a huge effort to re-educate the labour force. To quote an OECD report (2006: 1), "public spending on sickness and disability benefits is higher than in any other OECD country".

2. Housing policy and housing market in Norway

Susanne Sørholt and Terje Wessel

2.1. Norwegian housing policy - Main characteristics

The overall research question for this project is if and how the Nordic welfare states are shaping the conditions for ethnic residential segregation and desegregation. Furthermore, how do the patterns and processes of segregation affect the wider social and spatial developments in the various host societies? The first step towards capturing the links between welfare state policies and trajectories of ethnic spatial residential integration or segregation is to describe and analyse the national policies within the Nordic countries. Housing policy is believed to influence how and where people live. A housing policy which contributes to segregating people of different socioeconomic status and/or ethnic background could have serious and important implications for other policy areas such as education, social integration, tolerance, democracy and more.

This chapter focuses on the *ordinary* housing policy. Special activities to integrate ethnic minorities into the housing market are further described in Chapter 4 - Policy analysis related to immigrant settlement and integration. First, to establish the context in which immigrants and ethnic minorities have to settle, the main traits of the housing policy are described. Next, there is a description of the housing stock and the development of tenures in line with policy changes. Thereafter, access to the main segments in the housing market is described in general, with a special focus on the ethnic minorities' accessibility. Lastly, the politics for increasing accessibility, affordability and creditworthiness rele-

vant to ethnic minorities are presented before the conclusion.

The primary objective of the Norwegian housing policy is that all inhabitants shall have an adequate and secure housing situation (White Paper no. 23: 2003-2004). In Norway, a secure home is associated with owner occupancy in some form, which has an historical basis. After the Second World War, the main goal of the housing policy was that ordinary people should be masters in their own home. In 1951, former Prime Minister and representative of the Parliament, Trygve Bratteli, announced: "*For me, this is a principal question and I will express myself clearly. In modern society there are some sectors where there is private business and other sectors where there is no longer private business or where private businesses are phasing out, and I don't accept that owning other people's homes should be an area for private business*".¹³

In this research project, it is relevant to ask if and how a focus on homeownership is affecting ethnic residential segregation or integration. This chapter does not answer this question, but presents and asks tentative questions based on available data.

The main national strategy for obtaining the vision of decent housing through homeownership has been to adapt to a well-functioning housing market. According to the government, the interest rate level is the most important economic factor which influences the housing market. This is why the government attaches such great importance to a policy which secures a stable interests rate over time. Nevertheless, the figure 1

¹³ The original quotation in Norwegian: "For meg er dette et prinsipielt spørsmål og jeg vil gjøre det tindrende klart. I moderne samfunn er det viss områder hvor det drives privat næringsdrift, og andre områder hvor det ikke lenger drives privat næringsdrift, eller hvor det er under avvikling, og jeg for mitt vedkommende godtar ikke som et område for privat næringsdrift det å eie andre menneskers hjem". Stortingsforhandlinger, bind 7a, 1951, s. 455.

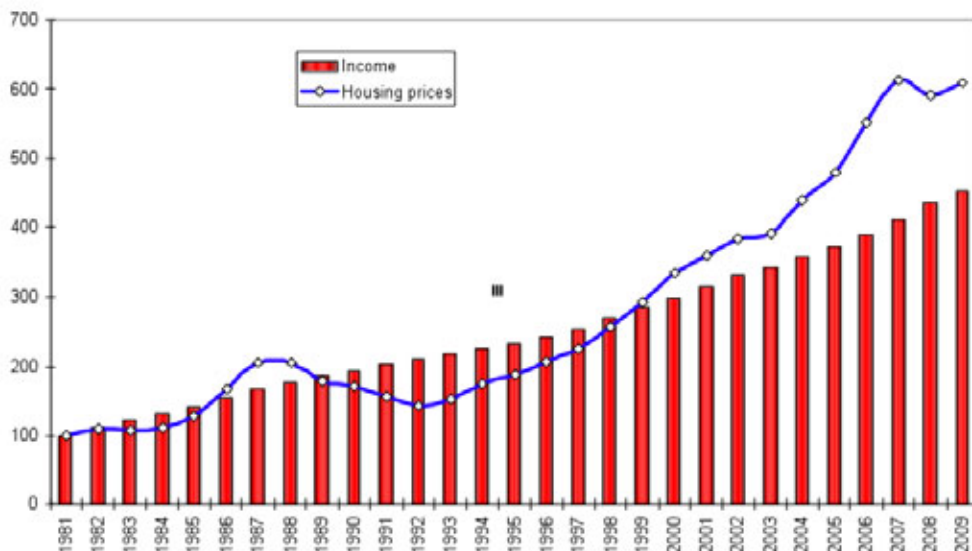


Figure 1. Development of income per man labour year and development of housing prices. Indicators: 1981=100 (Bård Øistensen, Temporary Director of the Norwegian State Bank. Presentation on October 11, 2010.)

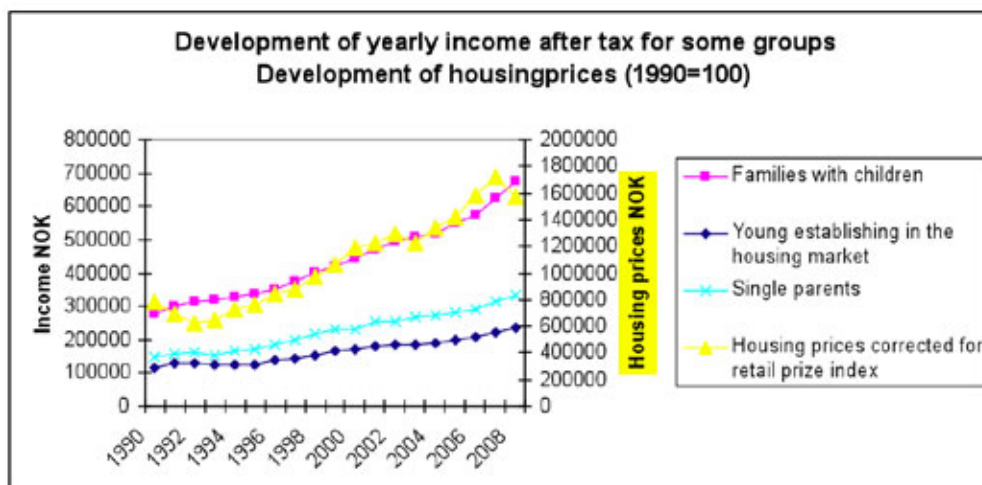


Figure 2. Development of yearly income after tax for some groups and the development of housing prices (Bård Øistensen, Temporary Director of the Norwegian State Bank. Presentation on October 11, 2010).

shows an increasing mismatch between housing prices and income. Even though interest rates are stable, housing costs are increasing.

The figure 2 shows that a dual family income is necessary to match housing prices. Single parents and young adults moving out of their parent's home will have difficulties in buying a home if they do not have additional economic assets such as a heritage. To provide disadvantaged

households with a decent home, it is known that the housing market is not sufficient. In addition to a well-functioning housing market in general, efforts have been made to provide adequate housing to targeted groups encountering difficulties in the housing market. Since the White Paper in 2003, more attention has been focused on groups with problems in the housing market. For example, reducing homelessness has received

special political attention since the beginning of the 2000s, as has the promotion of good housing for refugees and immigrants. The Norwegian State Housing Bank has been given the main responsibility for implementing the national housing policy. The Bank works closely with local authorities and the private market to improve and adjust socioeconomic housing measures to changing housing challenges and conditions in both society and the housing market. Over the years, the Bank's role has shifted gradually from being a general mortgage lending institution that supports new construction towards having more explicit welfare functions, in which cooperation with other welfare services is crucial. One example is the Bank's latest cooperation with the Directorate for Integration and Diversity. Together, they are developing a plan to see how the Bank can contribute in easing the municipalities' settlement of refugees and to ease refugees' capabilities in entering the homeownership market.

Even so, housing has not really managed to be part of the welfare policy discourse in Norway (Torgersen 1987; The Norwegian State Housing Bank 2010). This is still the case, despite the last White Paper on housing explicitly expressing that a home and a place to stay are important conditions for integration and participation in society. According to the White Paper, a home is one of the three fundamental elements in a welfare society, together with work and health (White Paper: 6). Still, housing is not a fundamental right by law in Norway. The municipalities have an obligation to assist people with trouble in the housing market, but the responsibility for the housing itself is on the individual household. The only exception to this is direct help to people in sudden/acute distress, who can obtain shelter for a few nights (see the Norwegian Act relating to social services).

Housing was deregulated in the mid-1980s. From that point on, market conditions have been

the primary factors for housing supply, demand and distribution. An important consequence of the belief in the market is that the volume of social housing in Norway is minimal. Only about 5 per cent of the housing stock consists of municipal, social housing. A consequence of this is a housing policy that includes the private market in solving housing problems for disadvantaged groups and households. A municipal housing policy has to take this option into account. As a result, many municipalities cooperate with the private rental market on market conditions to help to house disadvantaged households.

The Norwegian housing policy is the same for all, including immigrants and refugees. However, refugees who are given permission to stay are given the opportunity to settle in a municipality under the condition of "no or little choice" settlement. The refugees' lack of finances gives them access to municipal assistance for housing. Housing allowances are given under the same conditions as other households, according to economic need. When and if the refugees decide to move to another dwelling or municipality, they are obliged in principle to take care of their own housing situation. Other regular immigrants only receive access to economic and other types of municipal assistance if they are in need or cannot manage to take care of their own housing situation.

2.2. The Norwegian housing stock and tenures

The character of the housing stock is of importance for immigrants. What is available in the market has an influence on their welfare stemming from housing conditions. The vast bulk of Norwegian housing, approximately 85 per cent, has been built after World War II. This fact means that most of the stock is quite modern and has a bathroom and toilets, which is different from the

conditions of the housing stock in the centre of the cities. The most intensive production period took place from the late 1960s to the early 1980s, when Norway built more housing per 1,000 inhabitants than any other European country, completing up to 44,000 units annually. By the end of this period, housing production adjusted to a series of parallel changes: stagnating demand, shifting preferences (from 'large-scale to 'small-scale' housing), the emergence of a new aesthetic ideology ('old is better'), and most of all, housing policy reforms. The exceptional production performance had been facilitated by a system of government subsidies (both direct and indirect), housing regulation, macroeconomic governance and credit control/regulation. Now, much of the system has been dismantled and substituted by a market-led approach to housing provision. A number of new (private) actors have entered the scene, and some of the older ones have switched from planning /management logic to a value-driven logic.

One immediate result of the policy reforms has been a massive growth in the condominium sector, largely through conversions to rental and cooperative housing (Wessel 1996). Other results have emerged in the long run, and are difficult to disentangle from changes in the social and cultural context. What we may notice are three or four differences from the previous period. First of all, housing production has sunk to a lower level in concrete terms from an average of 41,100 units per year in the 1970s to 31,300 in the 1980s, further to 19,700 in the 1990s and then up slightly to 24,900 in the 2000s (Statistics Norway: Historic statistics: Table 17.5). Second, housing prices have fluctuated much more than in the past. Norway experienced a credit-driven housing market bubble in the late 1980s, which burst in 1988. A reverse development in the early 1990s had dramatic effects on the economy, with a collapsing banking sector and equally dramatic

effects on the household sector, with magnified losses and stagnating mobility. A combination of oil revenues, fiscal policy and the 'Solidarity Alternative' (see above) set the nation on a new track, while the rest of Scandinavia was still in a slump. From 1993 to 1994 and onwards, a long boom of asset-price inflation evolved, peaking in 2004-2006. The financial crisis in 2007-2009 brought an interregnum of declining prices (from roughly September 2007 to March 2009), followed by a new boom dynamic in 2009 and 2010 (ECON, 2010). Third, much of the current building activity has unfolded in the major cities, often in the city centre. There has also been a change in the composition of building activities, with renovation and transformation (i.e. the reuse of industrial properties) taking on a greater importance.¹⁴

By 2010, Norway had approximately 2.3 million dwellings, of which almost 2.2 million were occupied (Statistics Norway, 2010; Families and household Tables 1 and 3). Over the past three years, the number of dwellings has increased by 86,000, of which 60 per cent are in multi-dwelling buildings. Due to centralisation, the largest increase has been in urban settlements. In 2008, the number of dwellings in urban areas increased by almost 34,000, while the number of dwellings in sparsely built-up areas decreased by 7,000. Households in Norway are small; in 2010, the average was 2.2 persons per dwelling.

2.2.1. Improved housing standards

In 2010, more than half the population live in detached, single family housing, while less than 25 per cent live in multi-dwelling buildings (see Figure 3). It is a common perception that detached single family homes are more attractive

¹⁴ The latter changes have made housing provision a less tractable issue: one cannot squarely rely on housing statistics (Barlindhaug and Nordahl, 2005).

Number of dwellings, by type of building. 1 January 2009. Per cent

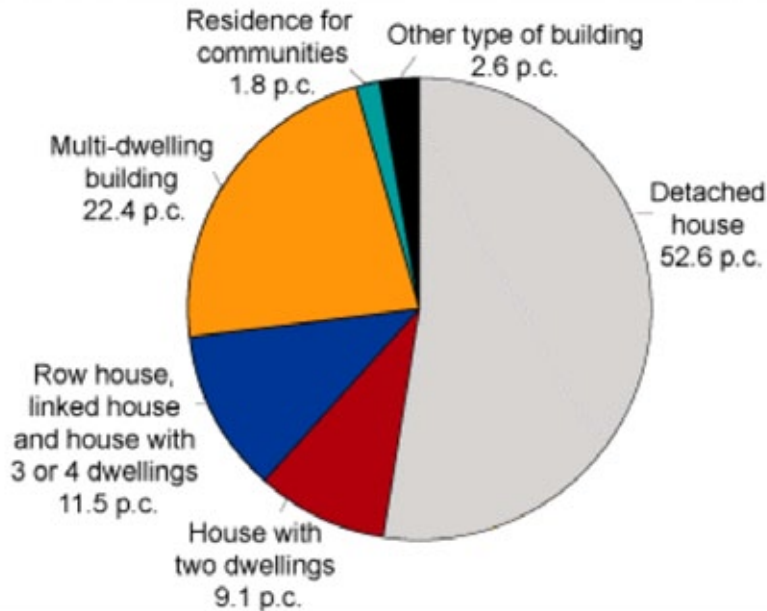


Figure 3. Dwellings by type of building, January 1, 2009, Per cent (Statistics Norway, January 1, 2009).

than multi-dwelling buildings. However, the diversity in lifestyles and life phases contributes to more diverse preferences. In addition, high-standard and up-market multi-dwelling buildings are becoming a more common part of newly built housing, particularly in urban areas.

In the table 5, the type of housing for the immigrant population is compared to the whole population.¹⁵ As the table shows, persons with immigrant backgrounds are adapting to the Norwegian pattern over time. While living in multi-dwelling housing is increasing for the whole population, it is decreasing among those with an immigrant background. And while living in single family housing is stable over the 12-year-period from 1995 to 2007 for the whole popula-

¹⁵ To be able to compare housing situations among the immigrant and the whole population, a weight system is applied in which the whole population is balanced according to the variables of gender, age and type of area (sparsely or densely populated) among the immigrant population. This weight system is used for Tables 1, 3 and 4.

tion, it is increasing by almost 50 per cent among the immigrant population.

2.2.2. Decreased density

The policy reforms of the 1980s coincided with an expansive economic climate and a widespread public optimism. Many of the urgent housing problems had been, if not solved, substantially ameliorated. Below 10 per cent of the households lived in densely populated housing, according to the official threshold. Around 90 per cent had access to bathroom and toilet, and 76-78 per cent was home-owners (table 6).

The immigrant population lives in densely populated housing more often than the whole population. As shown below on the table 7, almost half the immigrant population lives in densely populated housing, while this is the case for less than 10 per cent of the whole population. This could be explained by a mismatch between

Table 5. Immigrant and whole population living in different types of housing. Persons age: 16-70 years, Per cent (Statistics Norway. Level of living among immigrants 1996 and 2005/2006. Survey to a representative selection among 10 groups. Level of living in the whole population in 1995 and 2007).

	Immigrant population		Whole population	
	1996	2005/2006	1995	2007
Single family house	13	25	42	43
Small house	24	27	27	23
Multi-dwelling building	61	45	30	33
Other	3		1	1

Table 6. Housing features. Whole population. Norway (Population censuses and the "Level of Living Survey" (2004), Statistics Norway).

	1950	1960	1970	1980	1990	2001	2004
Densely populated housing*	42	28	18	8	7	7	7
Densely populated housing**						3	3
Number of occupants per room	0.9	0.8	0.7	0.7	0.6	0.6	
Number of occupants per dwelling	3.5	3.3	2.9	2.7	2.4	2.3	
Individual ownership			53	55	64	61	62
Cooperative ownership			13	19	17	14	14
Rental housing***			34	26	20	24	24
Toilet		46	72	89	96	97	98
Bathroom		45	66	88	96	97	98

*More than one person per room (kitchen excluded), plus single adults in one-room dwellings.

** More than one person per room (kitchen excluded). Single adults in one-room dwellings excluded.

***Rental housing includes a "rest category" - only 20 per cent (2001/2004) confirm that they rent a dwelling.

economic resources and prices in the housing market, whereas another explanation could be ascribed to preferences. However, the tendency is the same as among the whole population: a decrease in overcrowding over time.

The housing conditions for the whole population further improved in the 1980s and 90s as a result of high-quality production, private home improvements and professional renovation and demolition activities. The last major housing survey, which was conducted in 1995, documented a combination of high consumption and high social equality. Housing problems such as overcrowding, substandard buildings and insecurity of tenure formed a dispersed rather than strati-

fied pattern. However, this favourable situation did not apply to the major cities, especially Oslo (Wessel, 1998). In these places, housing problems were still accumulating within the lowest occupational class. Of equal importance, new inequalities were detected at both the national and city level. The largest concentration of poor housing was found in the centre of the city, where the non-western immigrants were concentrated, controlling for all other characteristics (ibid.).

On the whole, housing issues in Norway often boil down to a question of tenure. Owner occupancy has been politically encouraged for decades, despite the egalitarian legacy. Reflecting on this combination of individualism and collectiv-

Table 7. Immigrant and whole population living in densely populated housing over time. Persons. Age 16 - 70. Per cent (Statistics Norway. Level of living among immigrants 1996 and 2005/2006. Survey to a representative selection among 10 groups. Level of living in the whole population in 1995 and 2007).

Densely populated housing	Immigrant population		Whole population	
	1996	2005/2006	1995	2007
Yes	53	45	13	8
No	47	55	87	92

ism, Tranøy (2008) characterises the nation as a “deviant case”. Similar arguments are presented by Stamsø (2009), who observes a striking similarity between Norway, Italy and Greece: all three countries exhibit an unusual combination of large public activity and extensive homeownership. What is clear at least is that homeownership is the high road to a housing career in Norway. This applies to both the majority and ethnic minorities in all parts of the country, with no exception for the major cities. The rental share in the four major cities (Oslo, Bergen, Trondheim and Stavanger) is 29 per cent collectively (Statistics Norway, Statistics Bank, Table 05264). In addition, the rental market is quite expensive, unstable and difficult to access.¹⁶

2.3. Access to different segments in the housing market

Tenures, housing types and standards are unevenly distributed in regions, urban areas and neighbourhoods in Norway. In combination with prices, the conditions for access to the different tenures will therefore effect the housing situation for newcomers and households with limited economic, social and informational resources. Furthermore, the conditions for access may have implications for the social and ethnic composition of rural and urban neighbourhoods.

When describing access to housing, both formal and informal access has to be taken into ac-

count. In principle, all the housing segments are open to ethnic minorities of all types, regardless of background, reason for entry or social class. However, given that, the market is the main channel for the distribution of housing regardless of tenure and economic situation. In this context, attachments to the labour market become vital for the access and possibility of maintaining a decent housing situation. Moreover, when the market is the main channel of distribution, the supply side might have additional considerations other than pure profit in each transaction.

As mentioned above, homeownership is the dominant tenure in Norway. About 80 per cent of the whole population is homeowners, living in either owner-occupied (69 per cent) or cooperative housing (11 per cent) (Level of living, Statistics Norway, 2007). Owner-occupied and cooperative housing have become more similar according to the law. Market prices are more dependant of localisation, building type and standard than on tenure in the homeowners market.

The table 8 compares the development of tenures between the whole population and the immigrant population over a 10-year-period, with two main trends being revealed. First, homeownership (owner-occupied and cooperative housing) is increasing for both groups over time, though more among the minority population. Second, among homeowners with a minority background, there is a shift from cooperative housing to owner occupancy over time. The main pattern is that the immigrant population is adapting to conditions in the housing market, i.e. from

¹⁶ Many dwellings are exchanged between friends and family members (Gulbrandsen and Norvik, 2007).

Table 8. Tenure types. Immigrants and the whole population 1995-2007. Persons age 16-70 years, Per cent (Statistics Norway. Level of living among immigrants 1996 and 2005/2006. Survey to a representative selection among 10 groups. Level of living in the whole population in 1995 and 2007).

	Immigrant population		Whole population	
	1996	2005/2006	1995	2007
Home ownership	22	45	42	58
Cooperative housing	32	18	19	17
Rental or other	46	37	29	25
- Public renting	17	13	2	
- Private renting	29	24	27	

being dominant in cooperative housing to being dominant in the owner-occupied market. In 2005/2006/2007, the share of cooperative housing is balanced between the two groups.

The policy in Norway is that rental is temporary. Policy to equalise renting with homeownership is lacking when it comes to tax benefits, safety and the possibility for stability (contracts, lengths of stay). The rental market is dominated by small letters who have one or only a few dwellings for rent. The dwellings are on the market as long as the owner or his/her family does not need to live in them. Municipal rental housing is limited and targeted towards the most disadvantaged. In 2007, only 12 per cent of the renters lived in municipal housing, and among immigrants 33 per cent of the renters rented from the municipality in 2005/2006.¹⁷

In Norway, all types of tenure can be found in all types of dwellings and housing. Cooperative housing can be found in blocks and single family houses, as can private and social renting. When it comes to tenure, dwellings per se are not designed for ownership or rental. It is up to the owner to decide whether to live in, rent or sell the dwelling he or she controls. When a block of flats is owned by one party, the situation is the same. The owner can decide whether to rent or sell the dwellings, either on an individual basis

or all together, with the only exception being cooperative housing. Here, the single shareowner can sublet his/her flat for a certain amount of years, while as an organisation the cooperative cannot choose tenure.

As different kinds of home ownership are the dominant tenure in Norway, access to this segment is of importance for immigrants' integration into the housing market. Nevertheless, for newly arrived immigrants, for immigrants with an uncertain future in Norway and for people in difficult economic situations, renting a home might seem more relevant.

2.3.1. Owner-occupied housing

The main condition for accessing the homeowners market is the economic situation of the household. In combination with income stability over time, the more capital a household manages to invest when buying a house, the better the conditions for obtaining a down payment from a bank. The banks consider the household's total income and debt situation when offering housing loans. Moreover, it has been found that households can manage a 2-3 per cent increase in interest. A study from 2003 finds that half of ethnic minorities had no debts when applying for a loan to buy a house, while only a third of the majority was in the same situation (Barlindhaug and Dyb 2003:69). Housing prices vary in relation to attractiveness, which implies that a modest in-

¹⁷ Source: Statistics Norway. Level of living among immigrants 2005/2006 and level of living in the whole population 2007, cross section.

come allows for different possibilities in different localities. A study from 2003 on the use of loans from the Norwegian State Housing Bank showed that the proportion of income related to mortgage varied with the size of the household and the amount of income. The study also found that households obtaining loans from the Norwegian State Housing Bank have a mortgage ratio far higher than what is recommended. One interpretation is that households with low or modest incomes are striving to get into the ordinary housing market, while another is that there are few alternatives to homeownership when looking for a decent housing situation.

2.3.2. Cooperative housing

Most of the cooperative housing in Norway is organised by housing associations and regulated by law, with access to cooperative housing being the most regulated and most transparent. Today, it is a mix of market, the highest bid and seniority. Before deregulation in the mid-1980s, prices were regulated and distribution followed seniority. In fact, for many years there was a need for membership in a housing association to gain access to a dwelling in a housing cooperative. This implies that deregulation was a benefit for immigrants, because market prices became more important. Even with a limited membership, both immigrants and others can attain access to cooperative housing if they have the highest bid and if the right to pre-emption among those already living in the actual cooperative is not used. The right to pre-emption when living in a cooperative also implies that immigrants and others can make a housing career in the housing cooperative if they match the highest bid. As it is difficult for sellers of dwellings in housing cooperatives to discriminate, this segment of the owner's market is quite valuable for immigrants. All buyers have to be accepted by the board in a housing

cooperative. However, the board can only refuse a buyer on the basis of fair treatment since what is accepted as fair is regulated by law. Ethnicity, background, religion, citizenship, etc. are not regarded as fair. Prices and creditworthiness in the cooperative sector are much the same as in owner-occupied housing.

Taking owner-occupied and cooperative housing together, approximately 80 per cent of the dwellings are owned by the household living there. To underscore the importance of ownership in the Norwegian housing market, about 90 to 95 per cent of the households become homeowners during their lifetime (Gulbrandsen and Norvik, 2007 in Sandlie, 2010:97).

2.3.3. Private renting

The private renting sector is quite disorganised in Norway. Few letters are professional companies, though that segment of the market seems to increase in the Oslo region. The professional letters are private companies, housing associations or housing associations for students. Individual landlords who own a block or more of dwellings are decreasing in number. Many sold their blocks of dwellings to residents during the urban renewal period in Oslo (1977-1985). Today, the majority of letters are people with one or more dwellings for hire, often temporary according to the household's own needs. Roughly 10 per cent of the homeowners own an additional dwelling that can be hired out if there is a local demand (Gulbrandsen and Norvik 2007 in Sandlie 2010:97). This implies that immigrants and others have to look for rentals in a complex and weakly organised rental market. Much of the dwellings for rent are in the basement of single family houses. There are regulations against discrimination, but it is hard to document such behaviour among small letters. Yet, if real estate agents are renting out private dwellings, there is

a code of conduct to avoid explicit discrimination, though how this is practised is not evaluated. All rent regulations were abolished as of January 1, 2010. The principle for rent setting for new contracts is the market. The minimum contract period is three years for ordinary rentals. During the contract period, the rent increase will follow the retail price index. Renting is the first choice for newcomers and immigrants who believe they are not going to stay long in Norway.

Since demand surpasses supply in the urban renting market, letters can pick and choose their tenants to a large degree. A study from 2009 confirms that letters use personal judgement and discretion when selecting tenants. The main criteria used in the judgements were the letters perception of the match between the actual dwelling and the tenant's household. Relevant factors were the tenant's expected conduct and properness, economic situation, size of the household, ability and motivation to take care of the dwelling, ability to communicate with the letter, ethnic background, and religion and name, as well as the letter's intuition. The result was that applicants with majority background were met with less prejudice than applicants with a minority background. Nonetheless, it must be emphasised that applicants with different ethnic backgrounds experienced different possibilities in the private rental market. While people with a background from Chile and Bosnia received access to the private rental market after an acceptable amount of trials, applicants with a background from Somalia and Iraq encountered rougher conditions. More often than not, they only acquired access to substandard dwellings, weaker contracts and higher prices, if they got anything at all. Their experiences were in line with the letters, who confirmed that they seldom rented out their dwelling to people with these backgrounds (Søholt and Astrup 2009).

2.3.4. Social housing

In Norway, social housing is most often municipal rental housing reserved for people in need. Nobody has a right to housing, but the social services are obliged to assist people in need to get a home. Municipal rental housing is a scarce resource indeed. On average, Norwegian municipalities dispose 20 municipal dwellings per 1,000 inhabitants (KOSTRA 2008). The scarcity has implied a need for prioritising applicants. When buildings are subsidised by the Norwegian State Housing Bank, the Bank has formulated criteria for distribution that have changed over the years. In 2009, rental dwellings supported by a supply grant from the Norwegian State Housing Bank were supposed to be prioritised to persons moving out of a prison or institution, to young people leaving public child welfare, to help settle refugees and to ensure that nobody stays longer than three months in a temporary shelter. For groups in need of comprehensive municipal services, the grant is 40 per cent of the total construction costs, rehabilitation or acquisition of property, and the settlement of unaccompanied minors is also included among these groups.

Apart from the guidelines set by the Norwegian State Housing Bank, it is up to the municipalities as to how they practise the distribution of their housing stock. Where there is a lack of social housing, particularly in urban areas, the municipality can work out their own additional rules for prioritising applicants. A common rule is that you have to be a registered citizen in the municipality for two to three years before you are accepted as an applicant. Refugees who are settled directly from asylum centres are prioritised, but if they want to move from their first dwelling, they are treated as all others with problems in the housing market. The immigrants' share of municipal housing is an indicator of their situation in the housing market. As mentioned above, 33

per cent of renters with immigrant backgrounds rented from the municipality, while only 12 per cent of all renters lived in municipal housing in 2007 (Statistics Norway 2005/2006 and 2007). In the aforementioned study of ethnic minorities, different treatment and the rental market, it was evident that households with immigrant backgrounds received municipal housing because they did not manage to access the private market by themselves (Søholt and Astrup 2009).

The rent level in municipal social housing varies across municipalities. It is up to the municipalities to decide on the principle for rent setting, be it market prices, covering costs or anything else. To cover the rent, the tenants can apply for housing allowances from the Norwegian State Housing Bank, which is distributed by the municipalities.

2.3.5. Regional distribution of tenures

Tenures are unevenly distributed in different regions in Norway. As a result, conditions for access to a decent home will vary by area of residence. The size of the whole population is about the same in densely and sparsely populated areas, a little more than one million people. The immigrant population has a different residential pattern. Although there are people with immigrant backgrounds all over Norway, this part of

the population is more concentrated in densely populated areas. In 2010, 29 per cent of the immigrant population were living in the city of Oslo, 42 per cent in the Oslo region (Oslo and Akershus Counties) and 57 per cent in the five counties around the Oslo Fjord (Statistics Norway, Immigrants and Norwegian born with immigrant parents). The uneven regional distribution of tenures and immigrant population implies that the conditions for access to housing vary according to place of residency.

The tables 9 and 10 below highlight how tenures are unevenly distributed in Norway. Not surprisingly, owner-occupied housing is most widespread in sparsely populated areas, while cooperative housing is almost non-existent in these areas. It is also not a surprise that rental housing is more widespread in densely populated areas and in the Oslo region. In the municipality of Oslo, the share of rentals is 26 per cent, which is also the average for densely populated areas.

Since the immigrant population is more often tenants than the majority, access to this segment is of importance for the housing welfare of the group. As discussed above, access to the various parts of the rental market varies. The table below shows the ownership pattern of rental dwellings in Norway in densely and sparsely populated areas. The table 11 shows that family and friends, as well as private renting, are the most impor-

Table 9. Regional distribution of tenures. Norway and Oslo. Households. Row per cent (Statistics Norway 2007. Level of living).

	Owner-occupied	Cooperatives	Rental housing	Other
Norway	62	14	19	5
Oslo region	52	23	21	4

Table 10. Regional distribution of tenures. Densely and sparsely populated areas in Norway. Households. Row per cent (Statistics Norway. Level of living 2007).

	Owner-occupied	Cooperatives	Rental housing	Others
Densely populated areas, 100,000 or more inhabitants	42	29	26	3
Sparsely populated areas, less than 200 inhabitants	75	1	15	9

Table 11. Distribution of different types of letters in densely and sparsely populated areas 2007 (Sandlie ed. 2010: 110).

	Public	Firm/foundation	Family/friends	Private renting
Densely populated areas, 100,000 or more inhabitants	10	21	24	45
Sparsely populated areas, less than 200 inhabitants	9	4	65	23

tant channels for obtaining a contract. In sparsely populated areas, two-thirds of the contracts are distributed through family or friends (2007). Immigrants are vulnerable to this private distribution system if they are not part of a network in which others have dwellings for rent. The surveys for the level of living among immigrants in 2005/2006 compared to a similar study among the whole population in 2004 had interesting results. While one out of three among the whole population confirmed that the letter was a friend or a relative, the same was the case among only one of four immigrants. The implication of this is that immigrants are much more dependent on the letter's individual priorities when choosing a tenant (Søholt and Astrup, 2009).

The immigrant population is overrepresented in densely populated areas and more dependent on private letters who are not part of their networks. A previous study of housing strategies among three groups with different immigrant backgrounds in Oslo found that those who belonged to a group with surplus financial and housing resources were in a favourable position when it came to access to private renting (Søholt 2007). From the table 11 above, it seems as if immigrants who want to rent a dwelling in sparsely populated areas would increase their chances if they managed to be included in local social networks. According to the survey on the level of living, 65 per cent of the renters acquired a contract through personal, social networks in these areas.

2.4. Policies to increase accessibility, affordability and creditworthiness

National and local authorities have economic, judicial and distributional means to increase accessibility to and living conditions in the housing market for households in vulnerable positions. Examples of households in vulnerable situations are the poor of all kinds, people on welfare, immigrant households with many children, refugees, the homeless, people with disabilities, etc. Distributional means can be on both an individual and collective level.

2.4.1. Characterisation of economic support in the Norwegian housing policy

As mentioned in the introduction, the national housing policy focuses on a well-functioning housing market. To obtain this goal, the Norwegian State Housing Bank offers support to developers and municipalities to help motivate an

Table 12. Economic means to support affordable and decent housing for all.

	Social housing	Private renting	Co-operatives etc	Owner-occupied
Individual support to housing costs (Housing allowance)	yes	yes	yes	yes
Supply support (Developers, municipalities)	yes	no	yes	yes
Tax support	no	no	yes	yes
Rent/price control	no	no	no	no
Regulation of access	yes	no	(yes)	no
Supported finance (Individuals)	-	-	yes	yes

(yes) means partially. Members after seniority are prioritised, as long as they have the highest bid.

increase in the supply of affordable housing (table 12). Another important financial measure is the tax support to homeowners, making it much more economical to own than rent a home, as long as the household has the necessary economic means to access and stay in the owners market. Another important economic mean to ease poor people's access to a decent home is the housing allowance, which provides individual support to help cover housing costs. After the last revision of the housing allowance system, this support is available for all types of tenure and housing. The main principle is to support poor households, whether singles or families.

- Individual support to housing costs: Rent allowance and deposit for rent.
- Supply support: Support in the form of loans and grants from the Norwegian State Housing Bank to increase the supply of affordable housing. It goes to developers/municipalities and not to individual residents.

- Supported finance: Means-tested grant and/or loan from the Norwegian State Housing Bank to individual households.

A former study of supported finance revealed that the level of support was limited (Barlindhaug and Dyb, 2003). The result was that the households had to buy a home in the cheapest areas. This implied that this economical mean supported people in helping to obtain a decent dwelling, but at the same time contributing to economic and ethnic segregation, especially in urban regions.

The figure 4 shows that an increasing number of households have received housing allowances in order to help them pay their market-based housing costs. If the municipalities use market rents, the consequence is that most of the municipal renters will have to apply for a housing allowance (state). The housing allowance is open for all poor people, regardless of tenure. The increase in the number of recipients is a result of

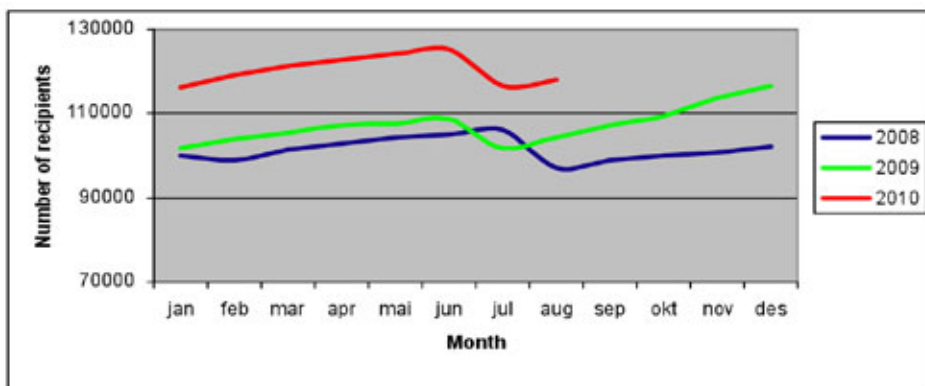


Figure 4. Housing allowances 2008 -2010 (increase in number of recipients) (Bård Øistensen. Temporary Director of the Norwegian State Bank. Presentation October 11, 2010).

Table 13. Housing allowance. Number of recipients in the whole population. Immigrants and descendants in per cent for the whole population receiving housing allowance (Proposition to the Storting (2010-2011). Ministry of Children, Equality and Social Inclusion).

Year	Number of recipients	Per cent immigrants	Per cent descendants
2006	121,6	21	0.2
2007	129,7	28	0.4
2008	126,1	35	0.5
2009	136	38	0.6

(Immigrants are born abroad, while descendants are born in Norway with parents who were born abroad.)

both higher housing costs and new conditions for this support.

Parallel to the increase in homeownership among ethnic minorities, there has been an increase in the number of recipients of housing allowances. This increase is an expression of a tighter household economy among ethnic minorities, as well as an expression of the integration of ethnic minorities into the welfare schemes. To receive a housing allowance, you have to know about the system and apply for the support. The table 13 below shows that descendants are much better off economically than their parents.

2.4.2. Judicial means to ease access to the housing market

The most important judicial means for the immigrant population are the paragraphs from 2004 against discrimination in all housing laws. Even though it is hard to prove that one is treated unequally when accessing the housing market, the laws are important flagships for the wanted norms of conduct. There have been a few cases in the owner-occupied market in which the buyers with immigrant backgrounds have won the cases. It is also of equal importance that the Association of Estate Agents has voted for a code of conduct that prohibits discrimination in all selling processes. The rules for entry to cooperative housing are also important for immigrants' access to this segment. The combination of the highest bid and seniority, together with the norms and rules for fair trade, contribute to avoiding individual discretion. Moreover, the transactions are taken care of by the housing associations, which hopefully help to secure a fair process. The possibility for having a housing career in the cooperative where one is living contributes to making this segment attractive for groups who are regarded as less attractive in the general market.

2.4.3. Redistributive means

When the market is not effective in helping disadvantaged groups to secure decent housing, there is a need for a redistributive policy. In addition to economic and judicial means, the most important redistributive means are of course social housing of all kinds, in which households in difficulty are prioritised. Municipal housing for the homeless is just such an example. Early in the new immigration period (1976-1992), a state agency was established to assist municipalities and housing associations to include immigrants in their ordinary work and to inform migrants about conditions in the housing market (SIBO, State Agency for Immigrant Housing). As the agency worked to acquire dwellings all over Oslo, their activity contributed to helping to desegregate the immigrant population within the city (Blom, 2001).

Area interventions in distressed urban neighbourhoods are collective redistributive means that have proven to be important for the population with immigrant backgrounds. For example, the urban renewal in Oslo (1977-1985) improved the physical housing conditions for people living in the older parts of the centre of Oslo. Because these areas had low standard, low rents and gave access to immigrants, they functioned as gathering areas for a large part of the immigrants arriving in Norway before the halt on immigration in 1975. With urban renewal they received better housing, the possibility of becoming homeowners in cooperatives or in owner-occupied flats at subsidised prices, or to continue as tenants. To make it possible for people to stay in the area, they received a special housing allowance to cover the increased housing costs if needed. The later action programmes in the same area and the suburbs of Oslo focused on improving the living conditions and the neighbourhoods. None of these redistributive means were developed

exclusively for the immigrant population. To the contrary, people with immigrant background and others were favoured because they lived in these areas. However, it was obvious from the start that these latest area programmes were developed, among other things, because of public concern for the concentration of ethnic minorities, the living conditions in the areas and a fear of the development of parallel communities.

2.5. Conclusion

In this chapter, housing policy and housing conditions are highlighted to contextualise ethnic minorities' possibilities and position in the Norwegian housing market. Conditions in the housing policy and housing market most likely influence residential patterns both within and between ethnic groups. Even so, citizens of all kinds choose to live in centralised urban areas because of a belief in better possibilities for education, work, access to diversified urban lifestyles, social networks and more. This tendency works for all groups, but more so for the minorities than the majority, even though the housing prices in these areas are the highest.

A Norwegian housing policy which favours homeownership for all social classes, in combination with no right to housing and a welfare policy that builds on the premise that all citizens should take part in society and work if possible, may be an explanation for the high share of homeownership among the immigrant population in Norway. Over time, it has been demonstrated that the rental market does seldom offer a safe and decent housing situation. The immigrant population's concentration in some city districts in Oslo and some other municipalities might be further explained by a complexity of economic factors, rules for access and attractiveness. In the suburbs with an increasing immigrant population, one can get more housing for

less money and rules for access to cooperative housing are non-discretionary. The city districts characterised by an increase in ethnic minorities are suburbs that include high-rise and multi-story dwellings built after the Second World War, which appear to be less attractive for the white middle class. Moreover, cooperative housing is mostly well-kept. While the first generation of housing in the suburbs consists of small family flats, the dwellings from the 1970s and 1980s are more spacious and well suited for families with children. Conditions in relation to access, housing prices and a feeling of social acceptance all contribute in helping to explain the ethnic segregation patterns in the city districts of Oslo and some other urban areas. Likely important is the possibility for making a housing career in these districts, as the housing stock consists of blocks as well as of large- and moderate-sized single family houses. As these areas have gained increased public attention through action programmes, everyday area qualities are highlighted and improved, which is something that can attract and maintain the minority population. Housing careers in the cooperatives and other owner-occupied housing in the multiethnic city districts could be explained by a local belonging and social acceptance. Whether the residential patterns can be completely explained by ethnic preferences, as opposed to social capital and individual economic resources, remains to be explored in further studies.

3. Immigration to Norway

Terje Wessel

3.1. Historic background

People have been immigrating to Norway for hundreds of years. A long historical view (Kjelstadli 2003) reveals a diverse pattern of in-migration, relating to trade, agriculture/forestry and construction work. Such a view also pinpoints the importance of re-migration and refugee settlement. The early 20th century, for instance, witnessed a large influx of returning Norwegians from America. A concurrent settlement of Jews demands attention because it introduced a new type of urban diversity. Most of the Jews (close to 60 per cent) who arrived between 1890 and 1940 settled in Oslo, where they formed a thriving community with synagogues, kosher shops and cultural activities.

The arrival of Jews, however, was a drop in the ocean compared with out-migration in this period. Approximately 863,000 Norwegians migrated to overseas continents between 1840 and 1940, putting Norway second to Ireland in terms of emigration volume as a proportion of the population. Emigration declined in the 1930s and remained low in the 1940s and part of the 1950s. The 1960s was a decade of increasing migration, but still with a balance between immigration and emigration. A notable change occurred in 1971, when immigration exceeded emigration by 6 600 migrants. From now on a new pattern emerged, with fast-increasing immigration and slow-increasing emigration. Counting four decades, 1970-2009, immigration exceeds emigration by more than 400,000 people. An opposite pattern has existed for Norwegian citizens for fifty years (Table 14).¹⁸

¹⁸ The statistics for the preceding decades, particularly the 1940s, are deficient and less reliable. The main picture, however, appears to be the same: a net loss of Norwegian citizens through migration.

A breakdown on world regions reveals two major shifts in the composition of immigrants (Table 15). The first one occurred in the 1970s and involved immigrants from Asia, Africa and Latin America. This category (previously called ‘culturally aliens’ and ‘non-Western immigrants’) increased its share from 20.2 per cent in the 1970s to 34.5 per cent in the 1980s. The second shift can be linked to the fall of the iron curtain in 1989-91. The emergence of new nations (e.g. Estonia, Latvia and Lithuania) and the regime change in older nations (e.g. DDR, Poland, Hungary, Czechoslovakia, Rumania and Bulgaria) gave rise to a substantial influx of immigrants from Eastern Europe. A related but yet different type of movement emerged through enlargement of the European Union in 2004 and 2007. These latter changes set the stage for a new era of labour migration, with added effects in terms of family reunification. As a result the total number of migrants from Eastern Europe grew rapidly, from some 40,000 in the 1990s to 108,000 in the 2000s. Yet, looking at relative figures we also observe large increases (84 respectively 83 per cent) in the established flows from Africa and Asia.

The pattern of *emigration* is very different. Most emigrants (74 per cent during 1970-2009) head for Western destinations, particularly other Nordic countries. The sizes of these flows do not converge, but they share *one* feature: there is a tight link between inflow and outflow. New arrivals are thus offset by departures, at least in the long term. The flows to and from Asia, Africa and Latin America (e.g. South and Central America) are, by contrast, marked by low emigration and sharply increasing net migration.

The mismatch between incoming and leaving migrants also applies to single countries. The four largest sending countries during 1970-2009 are, in descending order, Sweden, Denmark, United States and United Kingdom. These countries ob-

Table 14. Migration volumes 1960-2009 (Statistics Norway).

	Norwegian citizens					
	Immigration	Emigration	Net		Emigration	Net migration
			immigration	Emigration		
1960-69	133093	135058	-1965	56598	77009	-20411
1970-79	186225	146378	39847	104114	79894	-5357
1980-89	231707	172536	59171	70238	90786	-20548
1990-99	299729	204083	95646	95956	104114	-8158
2000-09	463212	240102	223110	86795	97500	-10705

Table 15. Immigration, emigration and net migration by world region (Statistics Norway).

	1970-79	1980-89	1990-99	2000-09	1970-09
Immigration					
Nordic Countries	58083	67924	92247	99190	317444
Rest of Western Europe	48479	50452	50939	73624	223494
Eastern Europe	4509	8259	42485	108537	163790
North America	32684	23992	24068	19092	99836
South and Central America	3812	10572	8911	12753	36048
Oceania	2715	1989	2734	3874	11312
Eastern Asia	11995	30663	29062	53163	124883
Western Asia, North Africa, Turkey	12555	24112	29877	52488	119032
Sub-Saharan Africa	9323	13580	18719	37319	78541
Unknown	1533	164	687	3572	5956
Emigration					
Nordic Countries	53398	70337	71988	97669	293392
Rest of Western Europe	41167	44705	46518	44530	176920
Eastern Europe	2751	1721	9967	16211	30650
North America	24163	20807	24557	14671	84198
South and Central America	2080	3899	4946	3706	14631
Oceania	2298	2123	2957	2811	10189
Eastern Asia	5417	7399	11184	12145	36145
Western Asia, North Africa, Turkey	5316	7296	10028	8664	31304
Sub-Saharan Africa	7729	8332	7435	5866	29362
Unknown	1611	2907	14489	33829	52836
Net migration					
Nordic Countries	4685	-2413	20259	1521	24052
Rest of Western Europe	7312	5747	4421	29094	46574
Eastern Europe	1758	65538	32518	92326	133140
North America	8521	3185	-489	4421	15638
South and Central America	1732	6673	3965	9047	21417
Oceania	417	-134	-223	1063	1123
Eastern Asia	6578	23264	17878	41018	88738
Western Asia, North Africa, Turkey	7239	16816	19849	43824	87728
Sub-Saharan Africa	1594	5248	11284	31453	49179
Unknown	-78	-2743	-13802	-30257	-46880

Table 16. Immigration, emigration and net migration by country. The 30 largest immigration countries during 1970-09 (Statistics Norway).

	Immigration					Emigration	Net migration		Rank net migration
	Total 1970-09	1970-79	1980-89	1990-99	2000-09	Total 1970-09	Total 1970-09	Total 1970-09	
Sweden	161316	24572	27843	54280	54621	149330	11986	13	
Denmark	109886	25125	30330	24575	29856	107254	2632	35	
United States	87775	28992	21476	21065	16242	76424	11351	14	
United Kingdom	77123	20431	22926	16709	17057	66033	11086	15	
Poland	60690	1176	3388	3113	53013	7277	53413	1	
Germany*	49454	7815	7230	10399	24010	27191	22263	2	
Pakistan	29206	5930	8292	7055	7929	9251	19955	3	
Finland	24488	4801	4542	6517	8628	19813	4675	27	
Serbia and Montenegro*	24205	-	-	-	-	8810	15395	7	
France	21522	4580	5181	5478	6283	17657	3865	31	
Iraq	21164	35	758	5355	15016	1290	19874	4	
Spain	19110	2861	3825	4745	7679	22718	-3608	268	
Netherlands	19109	4256	3720	4178	6955	13166	5943	25	
Somalia	18834	15	1299	5273	12247	1125	17709	5	
Philippines	18755	966	4660	4154	8975	3352	15403	6	
Iceland	18159	3065	4304	5490	5300	14029	4130	30	
Thailand	17429	628	1810	3181	11810	3850	13579	9	
Turkey	17088	2529	4219	5173	5167	3945	13143	10	
Russia	16530	-	-	3727	12803	1975	14555	8	
Bosnia-Herzegovina	15399	-	-	13397	2002	2807	12592	11	
Iran	13529	544	4465	3388	5132	1409	12120	12	
India	12808	2011	3372	2119	5306	3406	9402	19	
China	12717	291	1318	3156	7952	3350	9367	20	
Lithuania	12385	-	-	460	11926	1329	11056	16	
Canada	12061	3692	2516	3003	2850	10774	1287	52	
Sri Lanka	11955	202	4797	4065	2891	1816	10139	18	
Vietnam*	10884	665	4052	3425	2742	681	10203	17	
Ethiopia	10051	950	1740	2392	4969	2769	7282	22	
Chile	9201	828	4987	1645	1741	2931	6270	24	
Australia	9157	2275	1498	2190	3194	8487	670	82	

*Migrants from DDR, the separate nations Serbia and Montenegro, former Yugoslavia, South Vietnam and North Vietnam are excluded.

tain the following ranking in terms of net migration: 13, 35, 14 and 15 (Table 16). The fifth largest sending country, Poland, figures at the top of this list, followed by Germany, Pakistan, Iraq, Somalia and the Philippines. We note, in addition, that most Western countries display a stable and predictable pattern: the influx does not vary a lot from decade to decade. Countries in other parts of the world form either a similar pattern (e.g. Pakistan, Turkey and India) or a pattern marked by

sudden changes (e.g. Poland, Iraq, Somalia, the Philippines, Russia, Bosnia-Herzegovina, Iran, China, Lithuania and Sri Lanka). What we are looking at here is, tentatively, the importance of transnational spaces versus politics, violence and force. The flows from Asian villages, particularly in Pakistan, have been maintained through a complex set of contacts, most of which have a local foundation. A change in this direction can be detected for several countries in the second

group. People who flee from war and conflict tend to maintain close contact with non-migrant relatives in the place of origin. The transnational dynamics may thus stretch beyond the first phase of family reunifications. A similar transition is bound to evolve in the East-West European migration space, although these flows differ a lot from the guest worker and asylum immigration. East-European migrants are more likely to engage in circular mobility, adapting to the ebb and flow of economic demand (Favell 2008).

3.2. Formal permits

Legal settlement in Norway can be obtained on several grounds. Some of these official gateways are subject to political change, while others remain stable and difficult to change in a humanitarian responsible society. There is in this respect a patent asymmetry between immigration as a demographic event and immigration policy as a civil challenge. Labour immigration, for instance cannot be separated from other categories of immigration (Brochmann 2008).

The novelty of this issue has affected both the political process and the acquisition of factual knowledge. An unfortunate lag exists between demographic events and the production of new statistics.

We know, however, that work allowances dominated in the early phase when Norway evolved into an immigrant-receiving country (i.e. in the mid 1960s). A huge need for unskilled labour, combined with changing regulations in other countries, steered a number of labour migrants from Pakistan, Yugoslavia, Turkey, Morocco and India to the high north. These 'guest workers' were expected, and expected themselves, to leave within a few years. As it turned out, life had a different fate in store: many remained in Norway, and were followed by other migrants from the

same places (i.e. the same villages).¹⁹

The early phase of labour migration ended, at least formally, with the 'immigration stop' in 1975 (chapter 5). This led to an immediate change in the pattern of permits, with family reunification as the dominating gateway. The scale of immigration in these years was slightly reduced, but only for a short while.²⁰ Looking into the 1980s and 1990s, a new flow of refugees and asylum-seekers changed the context of immigration policy once more. Norway had subscribed to the United Nations' convention on refugees in 1951 and the additional rules of 1967. Following this tradition, the country now entered into a permanent co-operation with the United Nations High Commissioner for Refugees (UNCHR). An agreement was also struck regarding minor applicants, whereas other individuals and groups were required to demonstrate their need for protection.

The levels of different permits can be documented from 1990 onwards. This registration shows that acceptances of refugees and labour migrants have developed in opposite directions, the former declining and the latter rapidly escalating (Table 17). Family reunifications were increasing until 2003, when Norway adapted to a norm which privileges migrants with a refugee status. Those with a humanitarian status were subjected to similar rules (exemption from maintenance requirement) for six and a half years, between January 1997 and May 2003. The change in labour migration is, as indicated, an effect of the EU enlargement. A second factor is the new border-cross provision of services within the EEA.

Tables 18 and 19 illustrate that permits vary enormously by region and country. Refugee pro-

¹⁹ An often overlooked fact is that many pioneers, particularly from Pakistan, have migrated to Norway several times (Vassenden 1997).

²⁰ The migration volume dropped by 3 per cent from 1975 to 1976, but then picked up again in 1977.

Table 17. Immigration by reason, 1990-2008. Per cent* (Statistics Norway).

	1990-94	1995-99	2000-04	2005-2008	Total
Work	8.9	13.8	13.5	43	24.2
Family reunion	36.6	42.7	47.3	35.7	40.2
Refugee protection	44.8	30.8	26.5	11.3	24.4
Education	9	12	12.3	9.7	10.7
Unknown	0	0	0	0	0
Other reasons	0.7	0.7	0.5	0.3	0.5
Total	100	100	100	100	100

*Nordic citizens are not counted, due to the common settlement space in the Nordic countries.

Table 18. Immigration by reason world region, 1990-2008. Per cent (Statistics Norway).

	Work	Family	Refugee protection	Education	Other reasons	Total
Europe	41.1	30.6	18.5	9.3	0.6	100
Asia including Turkey	4.7	52.2	31.7	11.2	0.2	100
Africa	2.3	41.8	44.2	11.6	0.2	100
North and Central America	25.1	55	1	16.3	1.7	100
Oceania	8.5	68.1	6.1	16.9	0.4	100
Stateless	36.6	38.8	0.5	23.4	0.9	100
Total	24.2	40.2	24.4	10.7	0.5	100

Table 19. Immigration by reason and country (selected countries), 1990-2008. Per cent (Statistics Norway).

	Work	Family	Refugee protection	Education	Other reasons	Total
Poland	71.5	25	0.5	2.9	0.1	100
Germany	54.3	29	0.2	14.9	1.5	100
Iraq	0.1	39	60.7	0.1	0.1	100
Somalia	0	42.7	57.2	0	0.1	100
Russia	7.6	47.9	28.3	16	0.3	100
Bosnia-Herzegovina	1.1	8.3	89.9	0.6	0	100
United Kingdom	54.4	39.4	0.4	3.9	1.8	100
United States	28.8	52.8	0.7	15.6	2.1	100
Thailand	0.6	93.7	1	4.5	0.1	100
Philippines	7.3	52.8	2	37.6	0.3	100
Iran	1.9	31.4	64.6	1.9	0.1	100
Lithuania	67.1	22.1	0.2	10.5	0.1	100
Pakistan	2.2	87.1	5	4.9	0.9	100
Afghanistan	0.1	35.3	64.5	0.1	0	100
Netherlands	46.2	44.6	0.2	6.9	2.1	100
China	11.8	40.8	5.5	41.7	0.2	100
Turkey	3.1	86.2	6.5	3.8	0.5	100
Vietnam	1.3	58.3	36.1	4	0.3	100
Sri Lanka	1.2	62.4	29.3	7	0.1	100
France	47.9	35.3	0.5	15.4	1	100
India	30.7	53.8	1.8	13.3	0.3	100
Ethiopia	1	33.6	46.5	18.8	0	100

Table 20. Migration groups by country of birth. 1970, 1990 and 2010. Total numbers and per cent (Statistics Norway).

	1970		1990		2010	
	Total	Per cent	Total	Per cent	Total	Per cent
Total population	3888305	100	4249830	100	4858199	100
Born abroad	57041	1.5	150973	3.6	459346	9.5
Born in Norway with immigrant parents	2155	0.1	17325	0.4	92967	1.9
Population with immigrant background	59196	1.5	168298	4	552313	11.4
Other groups						
Born abroad with one Norwegian parent	8491	0.2	17290	0.4	30766	0.6
Born in Norway with one foreign parent	52899	1.4	100381	2.4	206627	4.3
Born abroad with two Norwegian parents	10544	0.3	16004	0.4	36688	0.8

tection is the dominating gateway for Iraqis, Bosnians, Somalis and Afghans. A number of other groups have a lower but still notable proportion of refugees. These populations (e.g. from Sri Lanka and Vietnam) appear to move into a stage of secondary migration, largely through family reunifications. Secondary migration may also expand to ever-wider family circles. A further breakdown of the statistics in Table 19 shows that 93 per cent of family reunifications among Iraqis and Afghans can be linked to refugee protection of a family member. Similar figures for migrants from Bosnia, Iran, Vietnam and Sri Lanka are as follows: 77, 76, 61 and 60 per cent. A third group of countries, notably Thailand, the Philippines and Russia, have many family reunifications but few that are triggered by refugee status.²¹ The trigger in these cases is, rather, the evolvement of global social spaces, where people travel and communicate across international borders. Put simply, permits among Thais, Filipinos and Russians tend to involve majority men and minority women (Lidén 2005).

²¹ The proportion of privileged reunifications is only 1 per cent for Thailand and the Philippines.

3.3. Immigrant background - shades of difference

Table 20 classifies migration groups according to birthplace (within/outside Norway) and parent background (within/outside Norway). 'True' immigrants increased their proportion of the population from 1.5 per cent in 1950 to 9.5 per cent in 2010. The progeny of this group ('descendants') made up a tiny 0.1 per cent in 1950, increasing to 1.9 per cent in the following four decades. Some other groups have been growing as well, particularly people born abroad with one Norwegian parent.

A telling picture of population diversity in Norway is given in Figure 5. We note, firstly, that very few people (less than 50,000) had a foreign background in the early post-war years. The fifties, the sixties and the seventies were all marked by small change, although with a steady shift towards Non-European migration. Then, in the 1980s, migration began to develop its own momentum. This was the period when families were settling down to permanent residence. Equally important, immigration became more complex as flows of refugees and new labour migrants entered the country. Some decades along this path, Europeans now make up 51 per cent of all immigrants.

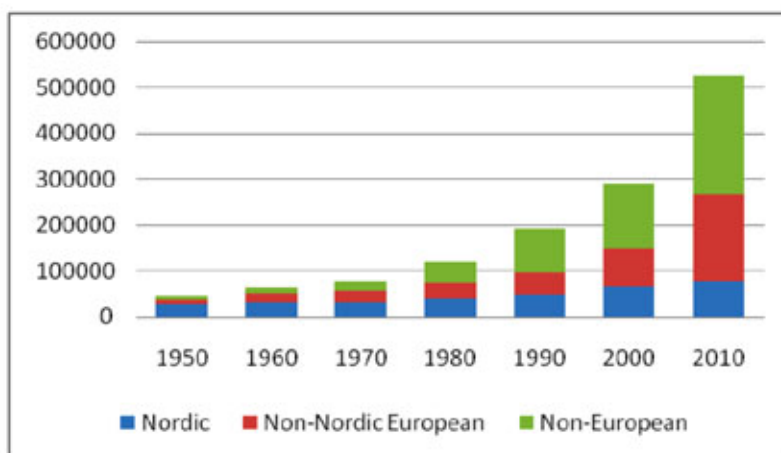


Figure 5. Number and composition of foreign-born in Norway 1950-2010 (Statistics Norway).

3.4. Demographic composition

The structure of the migrant population depends partly on the migration process itself (i.e. the selection and self-selection of migrants) and partly on the natural demographic development through births and deaths. These two developments take place simultaneously, but not along the same paths. Most groups go through a protracted transition whereby migration counts for less and less. Obviously, this also depends on how the migration population is defined.

It has been common practice in Norway to count both migrants and their children as part of the immigrant population. Regular reports from Statistics Norway have shown key characteristics at several levels of aggregation (nation, continent, Western/non-Western origin). The latest report of this kind (Daugstad 2008) stuck to the tradition even though it coincided with the introduction of new concepts (chapter 2). Statistics Norway's 'internet bank' (Statistikbanken) has started to use the new option, but it does not replace or fully supplement the older series.

We are obviously bounded by these practices. Descendants are still a rather small group, and it shares many similarities with the parent genera-

tion. A study of six minorities (from Pakistan, India, Turkey, Morocco, Vietnam and Chile) shows that most descendants marry a person from the same ethnic background, usually a migrant. Most of them, like their parents, live in Oslo, Akershus or (less common) another major city. Looking closer at Oslo, there is no huge disparity in settlement geography between parents and children: the vast majority live either in established immigrant communities in the inner east or in eastern/southern satellite towns (Søholt and Astrup 2009). It therefore seems reasonable to include descendants in the description of minority populations. Of course, many descendants have advanced beyond their parents in terms of education and income (Birkelund and Mastekaasa 2009), but they are still heavily conditioned by their ethnic background. They are also treated as an integration challenge by the Norwegian authorities.

3.4.1. Sex

The sex distribution of the minority population has become increasingly balanced. The entry of labour migrants in the early 1970s reduced a previous surplus of females. An opposite irregular-

Table 21. Composition of natives and immigrants/descendants by sex. 1970, 1990 and 2010 (Statistics Norway).

	1970		1990		2010	
	Men	Women	Men	Women	Men	Women
Norwegians						
Immigrants/descendants:						
Nordic countries	10 951	15 598	16 701	21 388	30 868	32 172
Rest of Western European countries	6 041	9 199	14 972	14 283	31 829	28 893
Eastern European countries	3 484	2 244	7 202	6 180	75 842	58 428
Sub-Saharan Africa	316	278	4 764	2 384	28 912	26 476
Western Asia, North Africa, Turkey	999	158	20 489	13 186	40 624	32 138
Eastern Asia	593	615	14 761	12 912	34 939	51 894
Latin America	303	291	4 352	3 933	8 039	10 313
North America	3 340	4 417	4 369	5 687	4 289	5 024
Oceania	113	233	293	420	1 036	684

ity appeared, however, as labour migration progressed. The so-called 'first wave of immigration' (Tjelmeland 2003) separated husbands from wives, partly due to pull-factors (i.e. economic conditions in Norway) and partly due to push-factors (i.e. economic, demographic and cultural conditions in the countries concerned). This imbalance was rectified through family reunifications and the natural demographic development through births and deaths. The latest figures (Table 21) show that males make up 51 per cent of the minority population in Norway. At a more detailed level, the proportion varies between 40 per cent (descent in Eastern Asia) and 57 per cent (descent in Eastern Europe). We also note that Eastern Asia had a completely different pattern twenty years ago, with a slight surplus of males. This matches the pattern in Table 19 and

is obviously explained by a growing incidence of interethnic marriage.

3.4.2. Age

The distribution of people at different ages changes in a similar direction (Table 22). That is, there are some signs of a more balanced distribution. The statistics pertaining to age do not allow a long-term view or a detailed division of nation groups. Looking at nine years, 2001 to 2010, the proportion of children below 16 years declined slightly. A corresponding increase took place at ages between 45 and 67 years, while people in retirement age maintained a low proportion. Again, there is no convergence across regions. Africans, for instance, have retained a wide base of children and youngsters. Viewed

Table 22. Table 3.9 Immigrants/descendants by world region and age. Per cent (Statistics Norway).

	0-15 years		16-19 years		20-44 years		45-67 years		67 years +	
	2001	2010	2001	2010	2001	2010	2001	2010	2001	2010
Europe	13.7	14	3.5	3.1	46.3	52.1	27.9	24.5	8.7	6.3
Africa	31	32.5	6.3	5.8	51.9	47.7	9.8	12.7	1.1	1.3
Asia (incl. Turkey)	29	25	6.5	6.5	49.6	48.9	13.4	17.6	1.6	2
North America	6.5	7.2	2.4	2.3	38.7	38.9	26	32.9	26.4	18.8
Latin America	19.2	12.6	6.6	4.9	52.2	54.2	19.7	25.5	2.3	2.9
Oceania	5.5	5.5	5.5	1.6	53.7	67.5	27.9	20.4	7.5	5

Table 23. Unemployment rate 1994-2010. Immigrants/descendants by world region compared to the whole population (Statistics Norway).

	Nov. 1994	Nov. 1998	Nov. 2002	Nov. 2006	Feb. 2010
Total population	4.4	2.1	3.3	2.1	2.5
All immigrants/descendants	11.3	5.7	8.6	6.1	7.9
Nordic countries	4.8	2.2	3.7	2.3	3.5
Rest of Western European countries	5	2.4	4.3	2.3	4.3
Eastern Europe	13.6	9.2	9.8	5.4	9.8
North America and Oceania	4.8	2.9	4.4	2.5	3.4
Latin America	14.8	6.7	9.1	6.1	7.9
Asia including Turkey	18.5	9.1	11.5	8.3	8.4
Africa	22.4	9.9	15.9	13.2	13.7

as a whole, the populations from Africa, Asia and Latin America are by no means balanced. Currently, only 1-3 per cent of these populations have reached the age of 67, which is the formal retirement age in Norway.

3.5. Unemployment, employment and poverty

Successive studies have found that people of minority background are at a higher risk of unemployment than Norwegians (Vassenden 1997; Bråthen et al. 2007; Olsen 2008). The early 1990s hit immigrants, particularly young immigrants, harder than Norwegians. It also turned out in the following upturn that immigrants are more exposed to long-term unemployment than Nor-

wegians. Looking at 1994 to 2010, a disturbing feature emerges: the unemployment rate among immigrants/descendants has fluctuated two to three times above the total rate. Another persistent feature is a huge variation in the experience of different groups. All groups have followed the general trend towards lower unemployment, but some groups have remained far behind in relative terms. This is particularly pronounced for people of African descent, who had an unemployment rate five times above the average both in 1994 and 2010 (Table 23).

The most significant change in the level of employment applies to immigrants/descendants from EU-countries in Eastern Europe (Table 24). An overall growth in the employment rate by 14 per centage points during 2001-2008 must

Table 24. Employment rate by world region and gender. Immigrants/descendants compared to the whole population (Statistics Norway).

	Total 2001	Total 2008	Men 2008	Women 2008
Total population	70.9	71.6	74.6	68.5
All immigrants/descendants	59.3	64.2	69.3	58.7
Nordic countries	73.7	75.6	77.5	73.6
Rest of Western European countries	68.1	73.4	78.2	66.6
EU-countries in Eastern European	60	73.5	76.4	67.8
Rest of Eastern Europe	56.6	63.2	65.9	61.1
North America and Oceania	55	65.7	72.1	59.3
Latin America	62.3	66.1	71.5	62.1
Asia including Turkey	52.5	56.8	63.2	51.1
Africa	46.2	49.7	55.4	42.8

Table 25. Employment rate by country and gender. Immigrants/descendants compared to the whole population (Statistics Norway).

	Total	Men	Women
	2008	2008	2008
Total population	71.6	74.5	68.5
All immigrants/descendants	64.2	69.3	58.7
European countries:			
Denmark	70.5	75	65.5
Finland	70.9	69	72.2
Sweden	80	81.1	78.8
Germany	75.6	80.2	70
United Kingdom	70.3	78	60.5
Poland	73.3	76.9	64.5
Bosnia-Herzegovina	66.2	68	64.4
Other countries:			
Pakistan	48.2	63.1	32.3
Vietnam	64.7	68.3	61.5
Iran	59.7	62.7	56
Sri Lanka	68.8	76.9	61.4
Turkey	54.7	63.7	42.8
The Philippines	62.5	74.2	60.1
India	63.4	69.5	56.1
Morocco	49.2	55	41.4
Somalia	35.7	44.6	25.1

be seen in the context of politics, but also in the context of selective mobility. Many young craftsmen have been drawn to the tempting prospects of the Norwegian labour market. We find a concentration of these groups in volatile industries such as construction, low-tech manufacturing and personal services. Not surprisingly, many have been seriously affected by the recent financial crisis, both compared to Norwegians and to immigrants from Asia, Africa and Latin America (Statistics Norway 2010).

Further, while all groups have experienced growing employment in the long run, there is also a striking continuity in the difference across groups. A key factor in this respect is the economic activity of women. Some European groups (e.g. Swedes, Finns and Germans) have employment rates above 70 per cent, while others (e.g. Somalis, Pakistanis, Moroccans and Turks) have rates well below 50 per cent. Somali women make an extreme case; only 25 per cent of this group is formally employed (Table 25).

Experience in the labour market is often seen

as a door opener to other fields, and thus as a basis for integration. A more careful approach suggests that employment is a latent rather than a manifest 'fault line'. It depends on group characteristics as well as place characteristics whether employment has knock-on-effects in the housing market, the field of politics, leisure activities, etc. What is clear, though, is that employment has a direct bearing on income and poverty. Groups with low employment rates have, with no exception, high poverty rates. The opposite applies to a number of European countries (Denmark, Sweden, Germany, United Kingdom and Bosnia-Herzegovina), but not to Poland. Immigrants from Poland expose a rare combination of high employment and high poverty. This obviously reflects the elusive character of the flows. Norwegian media have presented numerous 'horror stories' from the cross-border labour market that has evolved in the geopolitical context of the EEA. Many migrants from Poland and the Baltic states appear to languish in underpaid and unattractive jobs. The demand side of the market

Table 26. Household equivalent income below 60 per cent of mean income (EU-scale). Immigrants/descendants compared to the whole population. Per cent (Source: Statistics Norway).

	1996	2002	2008
Total population	12	11	12
All immigrants/descendants	28	27	31
Immigrants from Eastern Europe, Africa, Asia and Latin America	36	33	36
People with refugee background	34	36	39

Table 27. Household equivalent income below 60 per cent of mean income (EU-scale). One single year (2006) and persistent over three years (2004-2006). Immigrants/descendants compared to the whole population. Per cent (Daugstad 2008, based on data from Statistics Norway).

	2006	2004-2006	Average household Size
Total population	10	8	2.2
All immigrants/descendants	29	25	2.3
Immigrants from Eastern Europe, Africa, Asia and Latin America	34	31	2.5
European countries:			
Denmark	13	9	1.9
Sweden	15	10	1.8
Germany	18	12	1.9
United Kingdom	12	9	2
Russia	32	31	2.4
Poland	37	17	1.6
Bosnia-Herzegovina	18	19	2.5
Other countries:			
Pakistan	38	38	3.4
Vietnam	23	22	2.8
Iran	27	30	2.3
Irak	52	53	2.8
Sri Lanka	19	17	3
Turkey	36	35	2.9
Somalia	64	65	2.5

Table 28. Employment income as dominant income source. Share of population 1996-2008. Immigrants/descendants compared to the whole population (Statistics Norway).

	1996	2002	2008
All immigrants/descendants	63	67	75
Immigrants from Eastern Europe, Africa, Asia and Latin America	56	62	73
People with refugee background	46	54	64

Table 29. Share of individuals in households that receive social assistance. Immigrants/descendants compared to the whole population. 1996, 2002 and 2008 (Statistics Norway).

	1996	2002	2008
Total population	7	5	4
All immigrants/descendants	28	22	14
Immigrants from Eastern Europe, Africa, Asia and Latin America	40	29	19
People with refugee background	61	42	30

includes employers and recruitment agents who come into play as brokers of information and opportunities (see Elrick and Lewandowska 2008).

Poverty is also a real and significant problem for many large families, and even for groups with high fertility rates. The following picture appears to apply (Table 26 and 27): Immigrants of Western descent have small families and low poverty rates. Many groups from other parts of the world have large families and high poverty rates. Pakistanis, as an example, have a poverty rate (EU-scale) at 38 per cent and an average household size at 3.4 (compared to 2.2 in the whole population). But the exceptions loom large, and should not be neglected. Immigrants from Sri Lanka and Vietnam tend to have large families, sometimes with three generations under one roof. These groups seem to reduce the risk of poverty through rapid and lasting labour market integration.

There is, moreover, a correspondence between poverty and refugee status. Refugees and asylum-applicants are worse off than labour migrants and dependants. This relative drawback has become increasingly visible since the mid 1990s (Table 28), although one cannot easily assess the interplay between gateways and national background. Refugees from former Yugoslavia, for instance, may have had some advantages (e.g. in terms of skill and language) compared to their Asian and African counterparts. What is comforting, anyhow, is a marked shift in the sources of incomes. Labour income used to be less important than social assistance and other benefits. Now, the picture is opposite (Table 28 and 29), although some groups lag behind. Somalis and Iraqis receive 35 respectively 52 per cent of their income through employment even after 3-9 years in Norway (Kirkeberg 2008).

A final point concerns poverty duration. Most groups, including Norwegians, are marked by sizeable mobility in and out of poverty. Such tran-

sitions are strongly associated with life-course events, whereas persistent poverty is more a question of educational disadvantage, lack of experience, social immobility and inactivity. Some of the figures presented in Table 3.14 are in this respect quite grim: almost two thirds of the Somali group and more than half of the Iraqi group remained in poverty (EU-scale) during 2004-2006 (Table 27, second column).

3.6. Education

Summary statistics that lump all residents together can easily disguise demographic change. The distortion imposed by newcomers is one problem; another is the relative performance of different indicators. The age profile of the minority population implies that large cohorts are yet to advance very far in their careers; they are still students, or have just completed a degree. Hence, educational indicators are likely to give a more optimistic picture of demographic change than indicators of employment, poverty and income.

The trends in figure 6 indicate massive change across generations. Children of immigrants tend to split in two groups, one with high educational ambitions and one that fails to complete secondary school (Birkelund and Mastekaasa 2009, Fekjær and Brekke 2009). The former group is disproportionately drawn towards disciplines that pay dividends in the labour market, such as medicine, pharmacy, engineering, economics and science (Schou 2009). Descendants and immigrants alike do, on the other hand, struggle to perform at the same level as the Norwegian majority, partly due to the skewed selection (Kolby and Østhus 2009). There is also a marked ethnic divide in terms of educational choice and achievement: certain ethnic groups (e.g. Indians, Iranians, Tamils and people of Vietnamese background) are far ahead of other groups (Fekjær 2006; Schou 2009). This diversity is part of the

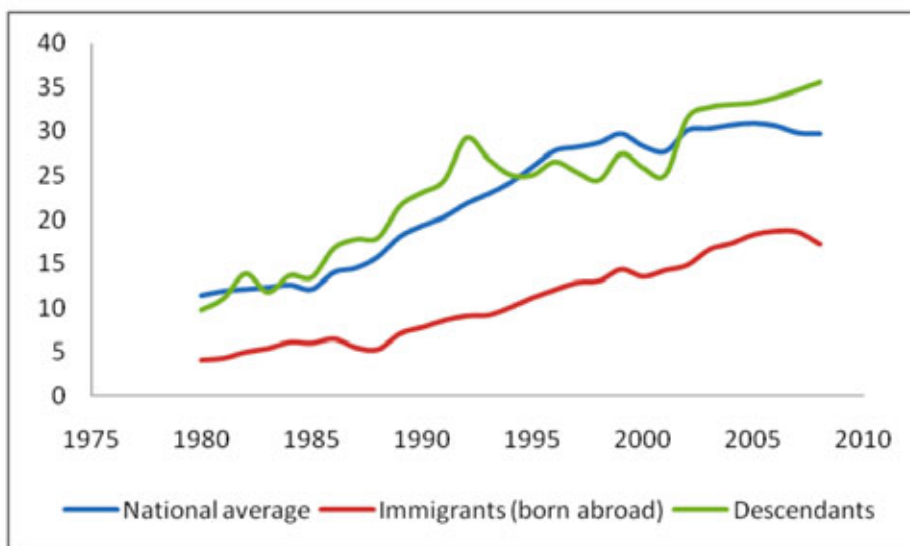


Figure 6. Share of people 19-24 years in higher education. Immigrants born abroad and descendants compared to national average (Statistics Norway).

Table 30. Educational level 1995 and 2007. Immigrants/descendants compared to the whole population and native Norwegians (Statistics Norway).

	1995			2007					
	Unknown or no education	Primary school	Sec. school	University or college	Unknown	No education	Primary school	Sec.sc school	University or college
Total population	2.9	26.1	51.4	19.6	4.1	0.2	29.6	41.3	24.8
Norwegians	1	27	52.5	19.6	0.4	0.1	30.2	43.9	25.2
Nordic countries	28	15.2	33.6	23.2	16.9	0.2	22.7	32.2	27.9
Rest of Western Europe, North America and Oceania	28.6	9.1	32	28.6	19.4	0.2	18.5	29	32.5
Eastern Europe	58.9	8.8	19.9	12.4	49.4	0.3	19.6	16.7	14
Asia, Africa, Latin America	37.1	12.5	35	15.3	30.2	1.6	33	19.8	15.5

background for the pattern in table 29. Any measure of meritocratic success/failure (in this case educational level) at the level of world regions is bound to reflect great variation. More important still is the dynamics of upward mobility, which fail to emerge in cross-sectional data. Or, to put it in concrete terms, the disparity between Norwegians and immigrants from Asia, Africa and Latin America is reproduced through new immigration. A more detailed interpretation of table 30 is difficult due to missing data.²²

3.7. Concluding remarks

The factors that shape migration have changed over time, with additional effects on the development of the minority population. Many groups have become more balanced in demographic terms, partly through family reunification and partly through fertility and mortality. Many groups have also managed to climb the social ladder, both within and (more pronounced) across generations. Some other groups, however, remain heavily dependent on welfare, even after many years in Norway. This invites a number of questions concerning socio-economic integra-

22 The registration of educational level is based on three sources: i. ordinary registration based on education in Norway, ii. registration of previous education through survey, iii. transmission of information from country of origin.

tion and residential location: are there ‘spatial traps’ in the major cities? Or, more positively, do certain locations facilitate socio-economic integration? The NODES project attempts to approach these questions both from a macro and a micro level of analysis.

4. Policy analysis related to immigrant settlement and integration

Susanne S pholt

Integration policies have developed over time since the start of the new immigration in the late 1960s. Policy development has been a response to the interpretation of the volume and character of the challenges and problems that followed the immigration. The situation was new, and it took some time before immigration resulted in a conscious immigration and integration policy. At the outset, the discussion about the policies for immigration control and integration were highly connected. Later, it was argued that the high level of universal welfare rights and services, in conjunction with the accessibility for immigrants to legally stay, influenced the need for a control of immigration (Brochmann in debate on immigration September 7, 2010. Arr. The North in focus).

However, in the late 1960s and the beginning of the 1970s as in 2010, the focus was/is on how to manage immigration with the desired integration. In the NODES Project, the overall question is whether integration and inclusion policies have contributed to increasing or decreasing ethnic differences in the housing market and whether it has influenced residential segregation or desegregation.

The objective with this chapter is to present and discuss policies related to immigrants’ settlement and integration. First, there is a presentation and discussion of the birth and development of this new policy area following the immigration of the 1960s. Next, main subareas in this policy field are presented and discussed. The chapter ends with a short summary of the chapter, in which dividing lines in the integration debates are highlighted.

4.1. Introduction

In many ways, the actual experience with immigration and integration has proven the wisdom of the early works of Thomas and Znaniecki when they analysed the Polish immigration to the United States at the beginning of the 19th century (Thomas and Znaniecki 1918-1920/1996). “Becoming” became a tool for understanding the social processes that took place when immigrants established themselves in the United States. This perspective had importance for understanding the immigrants’ adaption to American society and to how Americans and American society changed as a result of immigration and what the immigrants brought with them. The important lesson to be learned here is that it is difficult to know the effects and consequences of immigration beforehand. According to the Norwegian sociologist Brochmann, most of the European countries receiving immigrants had no experience when it came to formulating their immigration policies (Brochmann 2003:155). The same can be said for integration policies, though Norway had some experience with trying to assimilate the Sami people. In previous years, the authorities had not bothered much about the adaption and integration of immigrants, as the labour immigrants were purely seen as temporary workers. It can be said that it came as a surprise when they turned out to be human beings with needs, feelings, aspirations, a need for love and care, etc. Moreover, as it turned out they were not temporary, but stayed on. However, the manifest social problems that followed the first wave of labour immigrants forced integration onto the agenda. In Norway, housing was one of the main concerns.

The development of immigration and integration policies in Norway had been intermingled before they developed into separate policy areas in the 1990s. There were four White Papers

from the late 1960s and beginning of the 1970s to the end of the 1980s that focused primarily on immigration policy (Report No. 45 (1968-1969) to the Storting “On labour market policy”; Report No. 39 (1973-1974) to the Storting “On immigration policy”; Report No. 107 to the Storting (1975-1976) “On the halt on immigration and efforts related to immigration issues”; Report No. 39 (1987-1988) to the Storting “On immigration policy”). There is a shift in policy between the first White Paper and the ones that follow. While the first White Paper embraced a liberal immigration policy, the next ones focused on the need for immigration control. The first underscored that international contacts and exchange should meet as few restrictions as possible. It went on to further state that the individual worker and employer should have as much freedom as possible to enter into employment contracts (p. 63). It additionally said that it would be more common for people to cross borders, not only as tourists but for longer stays. This was followed by a statement that a border crossing and a choice of where to stay were part of the ordinary freedom of choice that people would want to claim in the future. The paper stated that this development must be regarded as natural and desirable (p. 64). The next White Paper was the first to directly discuss immigration policy. In this paper the government wanted to continue its liberal immigration policy, but in combination with immigration control. The argument for this control was that Norway was too small to absorb too many immigrants without the usual subsequent social problems. The White Paper from 1975-76 went further and introduced a temporary halt on immigration for unqualified workers, which was made permanent from 1981. The objective was that immigration should not exceed the possibilities for securing acceptable living conditions for immigrants to Norway. The Agency for Immigrant Housing (state level) was established in

1976 to try and solve the immigrants' housing problems. The Agency for Refugee Housing was established a few years later in 1979.

4.1.1. Integration and policy development

The White Paper that introduced the halt on immigration in 1975 also debated integration. According to this paper, it was up to the immigrants to decide in what way they wanted to connect to Norwegian society (p. 6). Immigrants could choose between being assimilated into the national population, be more loosely integrated or leave the country. It was emphasised that the integration path implied that immigrants should be able to maintain and develop their own culture and religion in Norway. In fact, that was the introduction of multiculturalism in Norway. The first White Paper focusing primarily on integration policy was not launched until 1996 and was labelled "*About immigration and the multicultural society*". In this report, integration policy was defined as the objectives and measures aimed at encouraging integration and participation in the multicultural society. These intentions should be embedded in all policy areas and should include the whole population (p. 10). The main objective in the policy was that everybody, regardless of background, should have the same rights and duties to participate in society and have the possibility to use their competencies (p. 8). A multicultural society was defined by its cultural diversity. The concept was interpreted to include an active acceptance and adaption of greater diversity as it concerned values, expressions, views and ways of life. Receiving an education in one's mother tongue has been a tool for maintaining identity and diversity. According to the law on education, pupils with a mother tongue other than Norwegian have a right to a special education in Norwegian, and if necessary, an education in their first language as well (Ministry of Edu-

cation and Research). How this is practised in the municipalities varies. In 2005, the city of Oslo closed down special education in Norwegian. The result was that only 6 per cent of the pupils were educated in their mother tongue in 2010.²³ The argument for concentrating on the training in the Norwegian language was simple: all pupils shall learn Norwegian. It is expected that all children should be able to follow ordinary teaching in Norwegian.

The second White Paper on integration from 2003 expressed a more nuanced view on integration and diversity. The message was that the integration policy should be directed to integrate immigrants (first generation) into society, while the policy for diversity includes all people living in Norway. The message behind this was that descendants who are born in Norway are not in the target group for the integration policy, but for the policies on inclusion, as they are part of a diverse society. The concept of a diverse Norwegian society underscores that there are and should be many (accepted) ways to be and develop as a Norwegian.

An important dilemma in a multicultural and diverse Norwegian society is the border between support for ethnic *groups*, religious *societies*, etc. versus support for *individuals'* rights to go their own way, which stands in opposition to traditions within the ethnic communities. In 2010, the dominant understanding in mainstream society is that traditions and practises in ethnic communities and families should not override the individual right to choose one's own life. This includes violations such as circumcision and forced marriages, but also the right to decide on education, career and way of life. There are dividing lines in the debates taking place in relation to an un-

²³ City of Oslo, Department for Culture and Education, case document 201002757-3. July 8, 2010. In 2010, there were 20,000 pupils with minority backgrounds in primary school in Oslo.

derstanding of equality, from the former “*being alike*” to “*equal opportunities*” to “*adapted opportunities to be able to reach similar results if desired*”. In the last White Paper (2003-2004), it is emphasised that the government is working for an equality which is understood as putting an equal value on people with different backgrounds and not an equality understood as similarity. Since the 1970s the climate in the policy debates has changed from emphasising assimilation in ways of living to two-way integration and embracing a multicultural society to diversity in everyday life connected with assimilation to core values in society. The aftermath of 9/11 has given fuel to distancing the Muslim population and including all immigrants in the Muslim category. As a result, there is more public/media pressure to motivate visible ethnic minorities to assimilate to core values, ways of living and ways of looking in public life (Report to the Storting no. 49 (2003-2004): 62; Aften October 6, 2010).

During the 40 - 50 years of immigration, immigration and integration policies have been intermingled, contested and debated by those who oppose it and those in favour of it. In 2010, the government’s policy on integration and inclusion builds on equality, solidarity and justice. Everybody should have the same rights and duties to contribute and participate in the work society. To succeed with integration, the government claims that the immigration policy has to be controlled and restricted. That control includes the asylum policy, as well as the policy for family reunification, marriage to foreigners, visas, foreign workers, etc. Immigration rules for workers from the EU are regulated by the EEA agreement. The aim of integration and inclusion is that you should not be able to tell an individual’s ethnic origin from their socioeconomic status. To be able to include all immigrants and their descendants in the universal welfare system, it is believed that the input (volume of immigrants) has to be lim-

ited for society to be able to absorb the immigrant population into the labour market, which is the cornerstone of the welfare state. The argument is roughly the same in 2010 as it was in the 1970s, although the volume has increased almost 10 times.²⁴ As immigration and ethnic residential segregation in the metropolitan area has increased, the question of social cohesion has become more urgent. The anxiety for and fear of parallel societies has given rise to a demand for policies that could handle these questions.

The responsibility for these policy areas has changed over the years. In 2010, immigration policy is the responsibility of the Ministry of Justice and the Police with the Directorate of Immigration. The Ministry of Children, Equality and Social Inclusion is responsible for integration together with the Directorate of Integration and Diversity.

4.2. Integration and inclusion - interconnected but separate policy fields

As mentioned above, the integration policy has become more comprehensive over the years, and can be characterised by two main tracks - integration and inclusion. The first is for the integration of newcomers. The second is about the inclusion of everybody in society, be they the elderly, disabled persons or ethnic minorities. Descendants are part of the inclusion policy, which is about how to make society work for all in a society characterised by diversity. This statement is followed by a more concise use of the concepts. In new political documents, descendants in Norway are not labelled as immigrants, but as part of the

²⁴ The 47,405 immigrants in Norway on December 31, 1975 increased to 489,273 by January 1, 2010. Immigrants from the other Nordic countries are excluded. The increase of immigrants from the other Nordic countries was only 2.5 during the same period, from 25,169 to 63,040 persons.

population with an immigrant background.²⁵ In everyday speech, it is doubtful however that people would know the difference.

The integration policy covers:

- Earmarked integration programmes and activities mainly for newly settled refugees and their families.
- Activities to integrate marginalised groups such as illiterate groups, mostly non-working women.

The inclusion policy covers:

- Laws, action plans, programmes and activities to adapt the ordinary society to a more diversified population. For example, public services, equal access to housing and the job market, etc. And vice versa, policies to adapt and include all residents to the existing conditions in Norway.
- Access to and adaptation of ordinary welfare services and benefits for people with a legal stay.

While the immigration policy covers all immigrants, the primary focus of the earmarked integration policy is for refugees and their families, while the inclusion policy should include all. However, few activities are directed towards labour immigrants. This is the fact, even though the share of immigrants with refugee backgrounds is decreasing compared to labour immigrants. In 2008, the share of new immigrants with a refugee background was only 10 per cent (Østby October 12, 2010, speech in Rommen school).²⁶

4.2.1. Integration policies

As mentioned above, the integration policy has been developed to target newly arriving refugees. The relevant policy areas for the housing condi-

tions of refugees are the asylum policy, the settlement policy, the policy for the integration of refugees into the labour market and the policy for residence permits.

Asylum policy

The asylum policy is part of the immigration policy. Nonetheless, the special character of the life situation and prospects of asylum seekers draw one's attention towards integration. The expectations of the asylum seekers are to obtain permission to stay. In 2009, 42 per cent of the asylum seekers received this permission (Directorate of Immigration 2010a).

To support the life situation of the asylum seekers staying in reception centres, they receive training to ease their integration into society if they get permission to stay. Even so, language training (250 hours) and the possibility of work for asylum seekers has been on and off over the years. In 2010, language training and information programmes about core values in society and how to live in Norway are mandatory. The 10 per cent of asylum seekers with a known identity can apply for work. Only those living in the reception centres are eligible for economic and other kinds of support. In 2009, about 50 per cent of asylum seekers lived in reception centres organised in ordinary housing in ordinary neighbourhoods (Søholt and Holm, 2009). The objective of this policy is manifold. Apart from allowing the possibility for a more normal life, one intention is to build capacity for living in and taking care of a "Norwegian" housing situation, in addition to the experience of local participation. The government's ambition is that the stay in the asylum reception centres should be as short as possible. In 2009, the average length of stay was 12 months (median).

National immigration and integration policies meet the municipal integration policy

²⁵ Statistics Norway uses Norwegian born with immigrant parents.

²⁶ Østby is the senior researcher on immigration at Statistics Norway.

through the asylum reception centres. The centres are located all over Norway in both urban and rural areas, with the location being decided through bids in the market. The growth and decline of reception centres are totally connected to the arrival of asylum seekers, as the municipalities have little influence on their establishment and location. On the contrary, they have to offer health and school services to the asylum seekers, for which they get economic compensation from the state. The money is not ticketed.

Settlement policies

Refugees are free to settle where they want if they can support themselves and find housing. If not, they are settled in a municipality after an agreement between state and local authorities. Until 2010, refugees have not been encouraged to find housing by themselves as part of the settling procedure. The municipalities have little influence on the location of the reception centres, but they have sovereignty when it comes to the settlement of refugees, which has always been and still is voluntary for the municipalities. The municipalities receive economic compensation for five years as motivation for settling the needed number of refugees. The money is not ticketed, but after 2004 settlement is followed by an obligation to offer introduction programmes to the refugees.

Until the beginning of the 1990s, most of the refugees were settled in southern Norway, from Trøndelag County and southwards. The increase in refugees following the war in Bosnia-Herzegovina contributed to a need for more housing. From that point on, refugees could be settled all over Norway in all municipalities.

The system for settling refugees was changed in 2001 (Ministry of Local Affairs 2000). The background for this was a stable lag between the need for and the actual settlement, with too

many refugees waiting too long in the reception centres for a new home. The objectives with the changes were to ease the settlement process, to motivate and support the municipalities to take on this job and to lay the groundwork for a stable and swift settlement practise. One strategy was the establishment of a national committee (state and municipalities), which should decide on next year's need for settlement and distribute the relevant number of refugees among the various counties. On the county level, the regional office of the Directorate of Immigration, together with The Norwegian Association for Local and Regional Authorities, is responsible for a proposal of distribution of the refugees to the municipalities. The criteria for distribution between counties and municipalities should be population, the refugees' wishes of where to live, experiences with settlement and conditions in the labour market. Another strategy was to target the settlement around 20 central areas in all the regions of Norway. The ambition was to reduce refugees' further mobility to central areas, build liveable ethnic communities and spread the presumed settlement burden to more municipalities.

The table 31 shows the number of municipalities that have settled refugees over a 10-year period. The number of settled refugees varies due to the arrival of asylum seekers, number of granted residence permits and local conditions. The main strategy for settling refugees has been to try to find them accommodation in the same region where they stayed in the asylum centres. The sprawl of the reception centres has contributed to a widespread settlement. Of the approximately 430 municipalities in Norway, the number of municipalities which have agreed to settle refugees has varied between 158 in 1993 to 280 in 1994, whereas the number of settled refugees varied between 2 513 (1996) and 11 628 (1994). A later study which included the years from 1997 to 2007 documented that between 205 and 314

Table 31. Settlement practise 1990 -2000. Number of municipalities and number of settled refugees (Source: Report to the Storting no. 17, 2000-2001).

Year	Municipalities	Refugees
1990	268	4 531
1991	191	3 907
1992	167	3 564
1993	158	3 049
1994	280	11 628
1995	255	5 489
1996	203	2 513
1997	174	2 594
1998	189	3 046
1999	253	6 738
2000	266	4 446

municipalities have accepted the request to settle refugees every year (Steen, 2008). In 2010, 325 municipalities were asked to settle refugees, while only 255 had accepted before the end of June (Directorate of Integration and Diversity 2010). The ups and downs in the number of requests for the housing of refugees varies with the increase and decrease of asylum seekers. About 10 per cent of the municipalities rejected the offer to settle refugees, while the same amount were never asked, mainly because the municipalities were too small and geographically isolated (Steen 2008). The experience so far is that in years with a high request for settlement, the municipalities are reluctant to accept to settle all of them. But nevertheless, they usually succeed in settling more refugees than in previous years (Steen 2008; Sørholt and Holm 2010).

Even though there are ambitions that the refugees should be able to exert some influence on where they are settled, it has proven that this principle has been overruled in times in which there is a mismatch between the need for and the supply of housing. In practise, it is probably more accurate to say that the asylum seekers who obtain permission to stay are settled in a municipality based on the principle of “no or little choice”. In

a report to the Storting, there were worries that there was a tendency among the municipalities to pick the refugees they wanted to settle (Ministry of Local Affairs 2000 - 2001). The result is that refugees who are assessed as being troublesome have to wait longer in the reception centres. The reluctance to settle refugees might be connected to the municipalities’ obligations to offer introduction programmes, interpretation and health services, as well as school and kindergarten to refugee children.

Integration programme

The Introductory Act came into effect in 2003. The law requires the municipalities to provide introduction programmes for various groups of new arrivals. Newly arrived and settled refugees who are outside the labour market have the right and obligation to participate in an individually tailored qualification programme on a full-time basis for two years, with a total of 2,700 hours. Participation is linked to payment of a specific benefit which is treated as salary and not as a social allowance. Once in the programme, the refugees also have rights to housing allowances and other welfare arrangements if needed. The programme works when it comes to capacity and competence building for the labour market or further education. Figures from 2008 showed that 53 per cent of the participants who finished their programme in 2008 transitioned to work or education (Directorate of Integration and Diversity 2008). Statistics Norway’s annual monitoring of refugees one year after completing the programme revealed that 65 per cent of the refugees who left the programme in 2006 were involved work or education in 2007. The introduction programme seems to take good care of newly arrived refugees and their families. Since the introduction programme came into existence, the centralisation of refugees has slowed down

(Høydahl 2009). If the refugees move from their first municipality, they lose the right to participate in an introduction programme.

However, other immigrants with poor language competency, a poor education background and no or only a limited relation to the labour market are not in the target group for the integration programme, although there are special programmes for women with low language skills in Norwegian and no work experience. These programmes are not obligatory, and one has to apply to attend.

Residence permit

Once they are let into the country, all types of regular immigrants can acquire a permanent residence permit after three years with valid provisional residence or a labour permit. Asylum seekers who receive permission to stay can ask for a permanent permit after the provisional three-year residence permit.

Does the integration policy have any impact on the housing and settlement pattern among the refugees?

The various aspects of the integration policy targeted at refugees seem to contribute to help adapt the refugees to the Norwegian housing market. The settling policy, together with the introductory programme, has been proven to keep refugees in the districts and slow their trying to move to more central areas. The obligatory participation in the introductory programmes push refugees into education or work activities, something which underpins an independent housing career over time. The integration policy is targeted at

refugees, though very little includes the labour immigrants who form the majority of the immigrants. There has been little effort expended to obtain any knowledge of their living and housing conditions.

4.2.2. Inclusion policy

The policy for inclusion is about democracy, equal rights and possibilities for all people in society. It is about making diversity work, in which people with different cultural and religious backgrounds become included in society under equal conditions in the housing market, in the neighbourhood, in the housing cooperative, in the education system, in the labour market, etc. The question is whether these types of policies have any impact on ethnic residential segregation/desegregation or contribute to levelling out ethnic differences in housing conditions.

Citizenship and naturalisation

The main rule for attaining Norwegian citizenship for immigrants is in connection to the principle of jus soli (right of the soil). This implies that first and foremost the rights of the applicants are connected to territorial stay and not to ancestral or family ties (jus sanguinis: the right of blood). There are a set of demands to attain citizenship. The applicants must document their identity, be at least 18 years old, live in Norway, have stayed in Norway for at least 7 out of the last 10 years, have an unblemished record and been able to end former citizenship if possible. For reasons of national belonging, Norway does not accept dual citizenship. As of 2008, there

Table 32. New citizenship by region. 1977-2009. Per cent. N=224,619 (Source: Statistics Norway).

Nordic and other Western countries	Eastern Europe	Africa, Asia with Turkey, Latin America	Total
13	18	69	100

have been new requirements added in relation to acquiring some knowledge of the Norwegian language and society, either by documentation of training or by tests. In 2009, roughly 50 per cent of the approximately 11,000 new citizens had arrived for reasons of family reunification. Over the last few years, the Iraqis and Somalis have formed the largest national groups (Directorate of Immigration 2010a). From 1977–2009, about 225,000 individuals have attained Norwegian citizenship (table 32).²⁷ The majority of them have originated from Africa, Asia with Turkey and Latin America.

To contribute to the new citizens' inclusion in and belonging to Norwegian society, a voluntary ceremony/ritual was offered from 2006, which is in line with the new law on citizenship.

When it comes to children born in Norway with immigrant parents, the principle of *jus sanguinis* overrides the principle of *jus soli*. To become a Norwegian citizen, the mother or the father of the child needs to have Norwegian citizenship. If not, a child born in Norway has to wait until the age of 18 to apply for citizenship. This was problematised in a public meeting in the most segregated suburb of Oslo in October 2010.²⁸ Young immigrants said that because neither of their parents had achieved Norwegian citizenship because of irregularities with immigration law or the police, the children were being punished. The lack of Norwegian citizenship had consequences for their daily life. For example, they could not take part in tours abroad with their school because they lacked a valid passport. They wanted to integrate, they spoke the language, they were active in education, but they felt they

were not being fully let into Norwegian society.

A former study of immigrants' residential patterns in Oslo showed that "naturalised" immigrants, those with Norwegian citizenship, tended to choose housing careers other than those chosen with foreign citizenship. These "naturalised" immigrants were more reluctant to move to the suburbs, where they could become homeowners at a modest price (Blom 2002). Since many did follow this track, more and more immigrants have settled here. As a result, these suburbs have become the most immigrant dense city districts in Oslo and Norway.

Political rights

Norwegian citizenship gives the eligibility to vote in the national elections. In elections on the local level, the main requirements are a registered residency for the last three years. Nordic citizens can vote as long as they register before the end of June in the year of the election. The interest in voting is lower among the immigrant population than among ethnic Norwegians. In the last election for Parliament in 2009, 52 per cent of immigrants (with the right to vote) voted, compared to 76 per cent of all possible voters.²⁹ Immigrants with Norwegian citizenship participate more often in local elections than immigrants with foreign citizenship. In the local elections in 2007, 37 per cent of immigrants with Norwegian citizenship voted, compared to 28 per cent among those without citizenship (Bergh, Bjørklund and Aalandslid 2008).

Rights to welfare

All people with a legal stay in Norway are entitled to social and welfare benefits. People in need can apply for social economic support ac-

27 <http://www.ssb.no/emner/02/02/statsborger/tab-2010-05-27-03.html>. Statistics Norway.

28 The Ministry for Children, Equality and Social Inclusion was invited to a public meeting in which the intention was to listen to what people in the suburbs thought was good about living in these areas and what could be improved. The framework for the meeting was integration.

29 <http://www.ssb.no/emner/00/01/10/vindinnv/main.html>.

According to the Norwegian Act relating to social services. The amount of sick pay and unemployment benefits is dependent on the individual's salary and previous contribution in the regular labour market. Regardless of whether they have citizenship, legal residents receive universal benefits that are not needs tested such as child and cash benefits for parents who stay at home with children under three years of age. Day care is open for all under the same conditions, and obligatory school is free for all children, even those without a legal stay.

According to the Immigration Act, illegal residents are entitled to emergency aid until the concerned person leaves the country.

Support to ethnic and religious communities

Economic support to ethnic and religious organisations is a way to implement the political vision that the ethnic minority population should be able to maintain and develop their culture and religion in Norway and to ease their social participation in society. There are various possibilities for economic support from the national and local level. The objectives for national support to local immigrant organisations are to increase immigrants' access to widespread social networks and to improve immigrants' capabilities to voice their interests toward local authorities. The city of Oslo has developed its own policy on diversity and integration. This policy includes support to ethnic minority organisations and comprehensive work in the municipality to develop Oslo as an open, inclusive city which is free from racism and discrimination. Oslo is a pilot city in the European development programme: "Intercultural Cities - Governance and Policies."

When it comes to religious organisations and communities, they can apply for economic support as long as they have more than 500 members. The support is per capita. In 2010, the

amount was a little less than 50 Euros per capita.

Laws against discrimination

Norway passed its law against discrimination in 2005, with the intent to prevent indirect and direct discrimination in all areas of society. The law prohibits discrimination because of ethnicity, national origin, descent, colour, language, religion and philosophy of life. The year before, the three housing laws were amended to include articles against discrimination when applying for a home and as a reason for dismissal. The most important impact of these laws is probably the signal that discrimination is illegal and that all people in Norway should be treated equally regardless of origin, etc. For the individual, the law makes it possible to protest against unequal treatment, though there has been much discussion as far as how easy this is to prove in court.

Housing: From tailored to mainstream policies

A lack of housing was one of the main arguments behind the halt on immigration in 1975. Still, the halt did not solve the problem. When the labour immigrants wanted to bring their wives and establish their families here, a condition for family reunification was obtaining a decent home beforehand. In the 1970s, the Ministry for Local Affairs granted NOK 4 million to the city of Oslo for special housing for the immigrants. In 1976, just after the immigration halt, the state agency for Immigrant Housing (Sibo) was established. The objective was not to produce ticketed housing to immigrants, but to improve their housing conditions and ease their access to the ordinary housing market. Sibo worked with municipalities and housing associations to help include immigrants in their ordinary work and to inform immigrants about conditions in the housing market. Another strategy was to buy old blocks of rental

flats in the centre of Oslo, which were undergoing extensive urban renewal. SIBO renewed the buildings and all the tenants, including those with an immigrant background received an improved housing standard and the possibility of buying their flat, which was organised in a housing cooperative. Another strategy was to build new housing, preferably in areas with a low density of immigrants. A maximum of half of the flats were offered to immigrants on the condition that they became members of the actual housing association running the housing cooperative. The rest of the flats were distributed to members in the housing association who were willing to trade their existing flat for a new one. The traded flats anywhere in Oslo, whether they were rented or owned, were then distributed to the immigrants. A third strategy was to offer loans or grants for loans to make it possible for immigrants to buy a home. As the agency worked to obtain dwellings all over Oslo, their activity contributed somewhat to help desegregate the immigrant population in the city (Blom 2001).

While SIBO did not subsidise the rent for labour immigrants, the twin agency for refugees, which was established in 1979, had another policy. The refugees received far better housing without having to pay the actual costs. While the refugees were cared for in many different ways, the labour immigrants had to take care of themselves. The two agencies were merged in 1988 and closed down in 1992. After the merger, the new company focused on obtaining work for settling refugees. There was no special policy to monitor the housing careers of former labour immigrants and their families.

When the Agency for Immigrant and Refugee Housing was closed down in 1992 after 12 years of activity, about 6,700 households had received help in becoming homeowners. In addition, NOK 47.5 million was granted for individual housing loans through an agreement

with a private bank. The Ministry of Local Affairs emphasised the importance of a continuing concern for immigrants' integration into housing and neighbourhoods (Report to the Storting no. 50 (1991-92):4). It was argued that housing and neighbourhoods were important ways to integrate immigrants in times with increasing unemployment. With the closing of Sibo, the housing policy for ethnic minorities changed from tailor-made to mainstream. The exception was the municipalities' responsibility for the first settlement of refugees. Apart from that, ethnic minorities are treated as any other citizen. They can ask for help with housing *if they are in difficulty*. If not, they have to manage the housing market by themselves.

To prevent the exclusion and marginalisation of ethnic minorities in the housing market, the ongoing Action Plan for Inclusion (Ministry of Children, Equality and Social Inclusion, 2010) has measures and indicators to monitor the housing conditions of ethnic minorities. The indicators are the share of immigrant households or descendants who receive housing allowance or are homeless. Since 2006, immigrants constitute an increasing part of households receiving a housing allowance (from 21 (2006) to 39 per cent (2009)). Very few descendants receive a housing allowance. In the same period, their share constituted an increase from 0.2 (2006) to 0.6 per cent (2009). The output of the indicator can be interpreted in two ways. The immediate interpretation is that the share of immigrant households with a mismatch between income and housing costs is increasing. This is in line with the general increase in the mismatch between the development of income and housing prices (see Ch. 2). Moreover, the indicators support the knowledge that immigrants have lower incomes than the majority and face a higher risk for persistent poverty (Bhuller and Aaberge, 2010). The other interpretation is that the widespread use

of housing allowances shows that immigrants know about the possibilities for economic support to cover their housing costs and that they in fact do apply for such support. This implies that immigrants are included in the welfare system and that the conditions for the housing allowance fit the economic housing conditions among the immigrant population. The conditions for the housing allowance have been changed over the last few years. Today, the intention is to meet the needs of poor people's housing conditions. Before the change, the amount of receivers of the minimum (state) pension and single parents was overrepresented.

When it comes to homelessness, the share of homeless people born outside Europe and other Western countries has been stable since 1996 at approximately 13 per cent. The actual number of homeless people has also been stable at about 6,000. This implies that the majority of the increasing number of immigrants is finding their way into the housing market.

Urban policies

Since the 1990s, both Oslo and some other towns have initiated urban area programmes in neighbourhoods with a high concentration of residents with ethnic minority backgrounds. The intention has been to improve the general level of living and underpin the processes for social cohesion. The area programmes in the suburbs of Oslo are comprehensive and have a 10-year perspective (see also Ch. 2). While the policy focused on the immigrants' living conditions in connection to housing in the 1970s, the focus has shifted to living conditions and the social effects of ethnic residential segregation at the beginning of the 21st century. In the 1970s, the policy means were mostly physical. In 2000, the problem is defined as segregation and possible parallel societies. Both the type of policy and policy means

that may reduce unwanted segregation and support social cohesion across ethnic background are much more diffuse and uncertain than a mere physical upgrading of neighbourhoods.

Indicators

The government has worked out a set of indicators to follow how inhabitants with an immigrant background perform in the Norwegian society (Proposition to the Storting no. 1 2010-2011). The indicators are: participation in the labour market and level of income, education, child care language, health and care, police, probation and justice, elections, housing, culture and media, and the state as employer (in a multiethnic society).

Does the policy for inclusion have any possible impact for housing and settlement patterns among the immigrant population?

All legal immigrants and their descendants are included in general welfare arrangements. Only unemployment and sick pay are dependent on their former participation in the labour market. Immigrants and ethnic minorities are encouraged to take part in local elections after a three-year stay, regardless of citizenship. Whether society's formal arrangements for inclusion and anti-discrimination have had an impact on ethnic minorities' ambitions and activities in the housing market is uncertain. But it certainly helps that they are supported economically if they cannot provide for themselves. However, register studies have proven that naturalisation corresponds with homeownership and moving patterns to areas with modest prices. Naturalisation is an individual decision about establishment and settling down that has been followed by efforts to be part of and invest in the ordinary housing market. Today, there are no special arrangements for helping ethnic minorities in the housing market,

and they have to cope just like everybody else. When in need, they are met with the same criteria for municipal help as others with problems. Yet, since there are more poor people among the immigrant population and because they more often face discrimination, they are overrepresented in municipal housing (see Ch. 2). The urban area policies have been directed towards improving the immigrant dense areas. Except for the former state agency which helped to improve the immigrants' housing situation, there has been no or only a limited urban or housing policy with the means to change the pattern of segregation.

4.3. Conclusion

This chapter has focused on policies of integration and inclusion. In the first part, the development of these policy areas is discussed. In the next part, some subareas with integration and inclusion policies are presented. The intention is to highlight the possible impact on ethnic minorities' housing conditions and patterns.

The aim with the introduction of the policy areas has been to focus on the development of this policy and to present important changes and dilemmas. In the case of Norway, the immigration and integration policy was handled in the same manner as when the new labour immigration wave started in the late 1960s. The character of the integration policy was coloured by the problems encountered following the immigration. From the beginning, the main problem has been housing and the related living conditions. In the 1970s and 1980s, the state ran a special agency for immigrant and refugee housing. From the beginning of the 1990s, the housing problems following immigration were embedded in the general work of the municipalities for households with housing difficulties. As time went by, the immigration/integration policy was divided into three policies with different responsible min-

istries: the immigration *control* policy, the policy for labour immigrants and the policy for the *integration of refugees and the inclusion of all*, including descendants, into a diverse society.

The primary principle for integration and inclusion is that all residents with a legal stay shall have the same or equal rights, duties and possibilities as ethnic Norwegians. However, there have been three interconnected and non-ending debates following integration. First: Whether people with an ethnic minority background shall have the *same* rights, the *necessary* possibilities for achieving satisfactory results or the same results as the majority. Second: Whether to support ethnic and religious *communities* or *individuals*. Since the last White Paper in 2003-2004, the focus has been on the right of the individual with a minority background to choose his/her way of living and life career in opposition to family and ethnic traditions. Third: Whether the ambition of the integration and inclusion policy is assimilation or integration. In 2010, it seems as if the policy is a mix between diversity in everyday life and a claim for assimilation to core values as a way to sustain the welfare state and underpin social cohesion across ethnic backgrounds.

The subsequent parts of the chapter describe subareas in the integration and inclusion policy which might influence the housing conditions and careers of ethnic minorities. The question is whether conditions for asylum seekers and refugees lay paths which motivate an independent housing career. Moreover, whether the inclusion policy is inclusive enough to encourage ethnic minorities to move to and stay in ordinary neighbourhoods in terms of ethnic composition. In Norway in 2010, ethnic minorities' housing conditions have become roughly the same as the majority, but the residential patterns differ. In the metropolitan and some other urban areas, the majority and ethnic minorities have developed segregated residential patterns.

5. Migration flows and settlement patterns

Terje Wessel

We noted in chapter 4 that refugees and asylum seekers have been subjected to increasing settlement regulations. These changes have affected the distribution of migrants within Norway, although a pattern of urban concentrations remains.

A significant breaking point occurred in the early 1980s, with the influx of refugees and the subsequent diffusion strategy. Labour migration in the 1970s was largely concentrated to the major cities, and almost entirely to the southern/eastern part of Norway. The various settlement policies, including the ‘whole nation strategy’, brought people of foreign descent to many smaller communities. By the end of the 1990s, all municipalities had at least some immigrants (Brochmann 2003). At this point, Norway experienced a massive centralization of the population. Young adults moved in vast numbers from peripheral regions to the major urban areas, particularly Oslo, Bergen, Trondheim, Stavanger, Kristiansand and Tromsø. Compulsory settled immigrants represented in this situation a demographic counterweight, although a minor one.

The representation of the immigrant population in Norwegian municipalities is shown in Figure 7, and some of the major changes in table 33. The first measure is the well-known dissimilarity index (the ‘D index’), which refers to the differential distribution of two population groups across geographical units, and which varies from 0 (equal representation in all units) to 100 (complete separation in geographical space). The two groups in this case are immigrants/descendants³⁰ and Norwegians. We further show the concentration of immigrants compared to

the population as a whole. What we measure, to be precise, is the share of municipalities with a location quotient above 1 (i.e. a greater representation of immigrants in the municipality than the representation of all inhabitants). The third measure is the share of immigrants with a residence in Oslo respectively the Oslo region. Finally, we also include the location quotient for these two entities.³¹

The 1980s were marked by a weak concentration of immigrants. Moving to the 1990s, we note a more complicated pattern. In this decade, a general dispersal occurred outside the Oslo region. The Oslo region had a declining representation according to the location quotient, but not according to the share of immigrants. In other words: the growth of the immigrant population was weaker than the centralization/relocation of the majority population. Finally, a pattern of broad dispersion appeared during 2000-2010. Looking closer at the figures, several processes appear to converge in the same direction: first, a continuous centralization of the majority population; second, a ‘spillover’ effect from existing immigrant clusters; third, a dispersal to mono-ethnic majority communities; fourth, a growth of new immigrant clusters.

5.1. Migration among refugees

Secondary migration, i.e. migration away from the first settlements, represents a major challenge in Norway. The peripheral regions have a homogeneous ethnic structure, a low density of people and a scarce set of opportunities and facilities. The natural environment is often harsh and barren, with cold climate and long dark winters. It is not surprising that people from the southern hemisphere choose to leave these places. One re-

³⁰ The term ‘immigrants’ covers both groups in the remaining chapter.

³¹ The municipality division changed many times during 1980-2010. All calculations are based on the 2010 division, which included 430 municipalities.

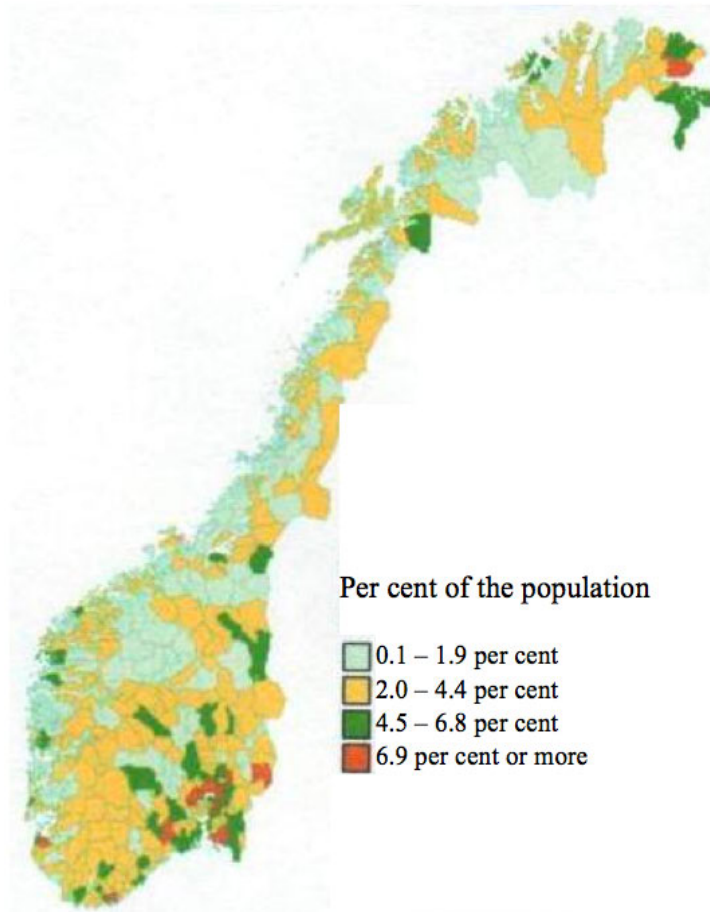


Figure 7. Representation of immigrants in Norwegian municipalities. 2008 (Daugstad 2008).

port (Seland Forgaard 2005), analyzing 1994 to 2003, found that close to 50 per cent of all settled refugees move from the settlement municipality within five years (Table 34). This figure varied widely, from below 20 per cent in Oslo to around 90 per cent in Finnmark up north (Seland Forgaard 2006). Significantly, some later

reports reveal a less dramatic picture. The level of mobility during the two first years is less than half of what it used to be, as we can see from table 34. Relatively more refugees move in the following years, but the net effect appears to be positive: there has been a marked stabilization of the refugee population. A relevant point here

Table 33. Concentration/dispersal of immigrants in Norway 1980-2010. Based on municipalities (Statistics Norway, The internet bank).

	1980	1990	2000	2010
D index (between immigrants and Norwegians)	32,2	33,9	30,6	26
Share with a location quotient > 1	8,5	8,5	7,4	9,2
The municipality of Oslo: share of all immigrants	29,1	32,8	33,6	29,1
The Oslo region: share of all immigrants	41,8	45,2	45,3	41,8
The municipality of Oslo: location quotient	2,61	3,03	2,96	2,41
The Oslo region: location quotient	2,07	2,19	2,08	1,81

Table 34. Secondary migration among refugees, measured in relation to settlement municipality. Cohorts. Per cent (Høydahl 2009).

Cohorts	Per cent who moved out of the settlement municipality					
	Year of settlement	Year 2	Year 3	Year 4	Year 5	Year 6
1998	6	17	27	35	40	45
1999	7	17	30	42	48	53
2000	7	18	30	40	47	52
2001	7	16	26	33	39	45
2002	5	12	21	29	35	41
2003	5	8	15	23	31	
2004	4	8	14	23		
2005	5	6	13			
2006	4	7				
2007	4					

concerns the unsettled character of the group. Refugees tend to remain mobile many years after arrival in the host nation. Høydahl (2009), for instance, observes a mobility level around 10 per cent four to seven years after settlement. Overall mobility in the majority population is, by comparison, 4 per cent.

The shift towards lower migration appears to be linked to the settlement reform. It is not a perfect timing between the reform (2003) and the first signs of stabilization (2001-2002), but this can be explained by a protracted political process: many municipalities introduced parts of the new programme or the whole programme before 2003 (Høydahl 2009). What is more difficult to assess is the impact of different policy instruments. One interesting detail here concerns the number of involved municipalities, which declined from 370 in 2000 to 210 in 2007 (Hilde and Vangstad 2008). Fewer and larger settlement municipalities secure, on the one hand, a certain integration capacity at the local level, and, on the other hand, a larger basis for the creation of immigrant communities. Which counts most cannot be decided from migration statistics.

Refugees are of course a diverse group of

people. The level of mobility varies according to many factors, especially gender, family situation and national background. Single men are more mobile than single women, and both these groups are more mobile than couples with children. National background is important in two senses. First, various groups have a different demographic composition, which affects the level of mobility. Second, some groups are drawn towards Oslo to a greater extent than others. Some figures for the 2003 cohort are suggestive: 49 per cent of those who moved in the Somali group ended up in Oslo (2008), compared to 41 per cent among Afghans, 19 per cent among Iraqis and 12 per cent among Russians (Tsjetsjenians) (Høydahl 2009). Previous research (Seland Forgaard 2005) indicates that Bosnians, Serbs, Albanians (from Kosovo) and Iranians resemble Russians - a small proportion move from the settlement municipality to Oslo.

5.2. Migration in the entire immigrant population

Immigrants have, until recently, not been treated as a separate category in the national migration

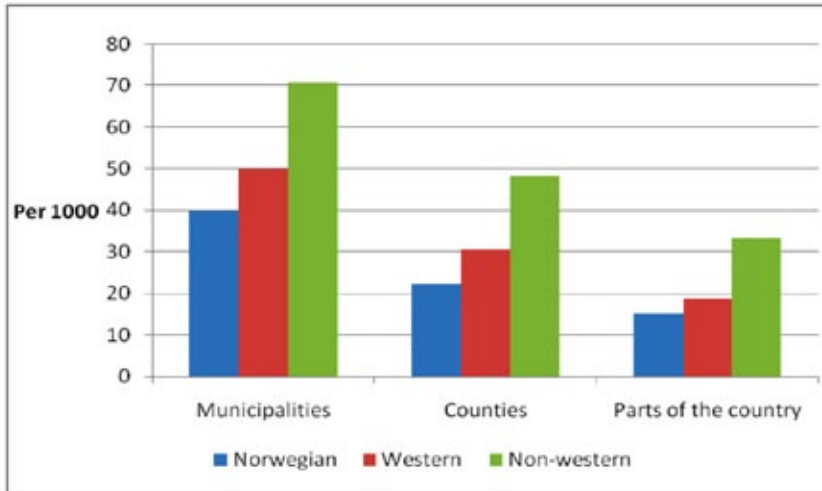


Figure 8. Mobility among immigrants and Norwegians, 2005 (Seland Forgaard 2006, Table 1).

statistics. Current knowledge is therefore based on specific reports.

Most of these reports show a centralizing pattern of mobility. Vassenden (1997) found that Oslo received ten times more immigrants through internal mobility (net migration) than any other municipality during 1991 to 1995. The level of mobility varied a lot between groups, and so did the centralizing tendency. One particular group, Iranians, accounted for a substantial part of net migration to Oslo. Interestingly, this group appear to have changed its pattern of mobility (see previous section). Other groups (e.g. Pakistanis and Moroccans) had a preceding concentration to Oslo, and did not relocate to suburban municipalities or other places in Norway.

The attraction of Oslo is somewhat moderated by Østby (2004). He shows that ‘non-refugees’ (i.e. people who arrived as labour migrants, family members of labour migrants or students) tend to head directly for Oslo or remain in other municipalities. He also observes a declining level of secondary migration in this diverse group, comparing 1992 to 1997 and 1998 to 2003.

Seland Forgaard (2006) uses the traditional distinction between ‘western’ and ‘non-west-

ern immigrants’ (see chapter 2), comparing both groups with the Norwegian majority. Her results reveal a difference in mobility, which increases with geographical level (Figure 8). Non-western immigrants have (2005) a level of mobility which is 77 per cent above the Norwegian majority at the lowest level (municipalities), increasing to 121 per cent at the highest level (parts of the country). She further emphasizes that immigrants follow the same migration routes as Norwegians. The main receiving counties are all located in the Eastern and Southern part of the country: Oslo, Akershus, Østfold, Buskerud and Vestfold. Immigrants are thus contributing to a more centralized pattern of settlement in Norway. Third, the Oslo region is a major destination for moving immigrants. This applies not only to the core municipality (Oslo), but also to the surrounding belt (Lørenskog, Skedsmo, Sørums, Gjerdrum, Ullensaker, Fet, Bærum and Asker).

The report by Seland Forgaard covered only 30 municipalities. Statistics Norway has now, since 2008, presented net migration for all immigrants and descendants. An outlook on this pattern (net migration) is given in Figure 9. It shows a distinctive zero-sum game between los-

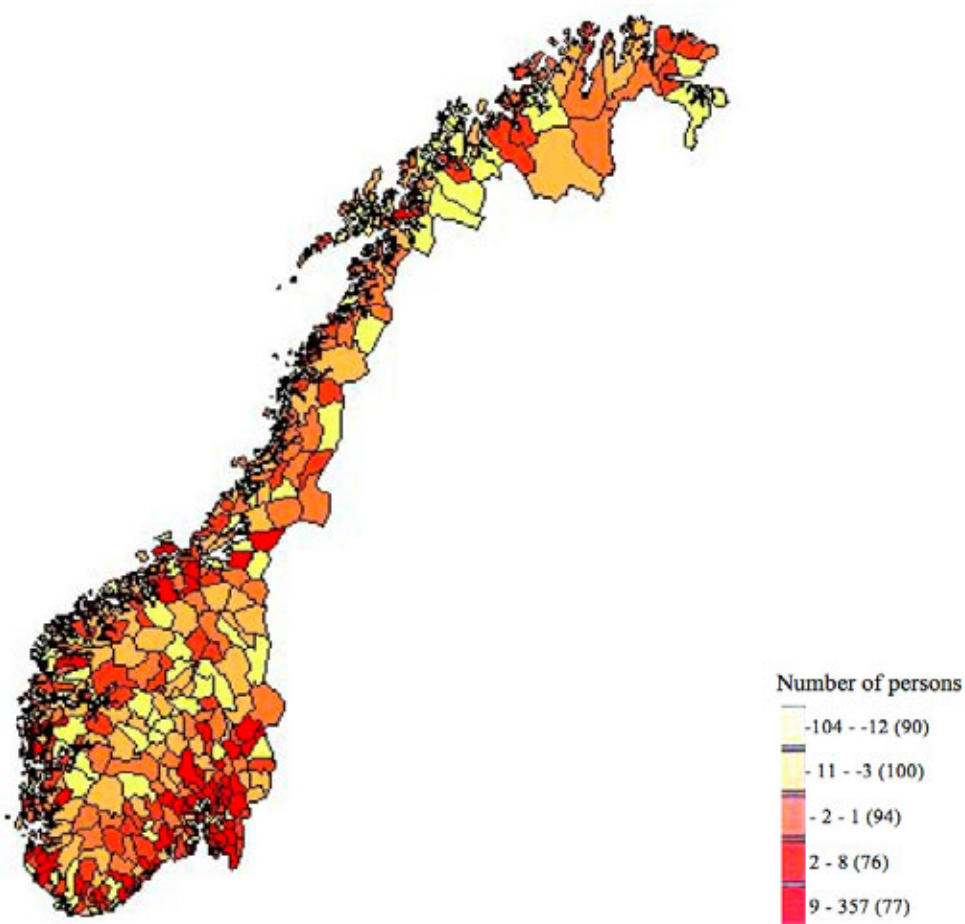


Figure 9. Net migration among immigrants. Municipalities 2009 (Statistics Norway and the Norwegian mapping Authority).

ing and gaining municipalities. The Oslo region is definitely on the gaining side.

5.3. Segregation of immigrants in the Oslo region

Oslo is characterized by a complex ethnic situation. Some places exhibit a wide range of cultural and social groups alongside tolerant and pro-diversity attitudes. Other places are rife with tensions over demographic change and place identity. Then there is a large landscape of ‘host communities’, marked by high social status and liberal values, located largely in the western suburban belt.

This geography impinges on ethnic segregation as a social issue: people in different parts of the city may see segregation, alternatively, as a key challenge and a non-issue. Some experience segregation on a daily basis; others take a detached and disinterested view of the matter.

Much of the interplay between ethnic groups can also be seen in the context of economic change. The first wave of labour immigration coincided with a rapidly declining manufacturing base and, subsequently, the emergence of an oil-driven service economy. Immigrants from third world countries were, almost without exception, integrated into low-skilled and unskilled segments of the labour market. Their location

Table 35. Segregation measures for the Oslo region 1980-2010. Municipalities/townships (Statistics Norway, The internet bank).

	1980	1990	2000	2010
D index between immigrants and Norwegians	15.2	22.1	25.3	21.7
The municipality of Oslo: share of immigrants in the region	69.8	72.7	74.1	69.5
The municipality of Oslo. location quotient within the region	1.26	1.38	1.42	1.33

in the city was determined partly by their economic position, partly by their lack of housing rights³² and partly by their status as single males. One particular place in the city, Oslo inner east, soon crystallized as a hub for arriving migrants. This was a run-down working class area which had been deprived through decades of social filtering. The new ethnic settlements can thus be described in multiple terms as a reflection of occupational class, housing market position, ethnicity and gender. Moreover, much of the succeeding history concerns the relative attraction of Oslo inner east. We shall soon return to these details. Let us first look at a higher geographical level.

Table 35 presents segregation measures at the municipal level. The D index for all immigrants rose by 10 per centage points between 1980 and 2000, largely through a process of centralization, i.e. a concentration to the core municipality (Massey and Denton 1988). This was partly a compositional change, as Asian and African minority groups increased their share of the total immigrant population. Similar effects may account for part of the modest decline in the D index during 2000 to 2010. We suspect, however, that the latter change reflects a ‘real’ diffusion from the core municipality to the suburban belt. Our present data do not allow a breakdown on specific national groups, nor a review of popu-

lation dynamics (i.e. mobility, fertility and mortality). What we can say, at least, is that Oslo inner east has been replaced by Groruddalen as the major hub for minority settlement. Groruddalen is a broad valley east and north of the inner city. It consists of approximately 130,000 inhabitants, distributed across numerous satellite towns. Most of the housing stock was built in the 1950s, 1960s and 1970s, following a municipal plan from 1950. The area has a large proportion of owner-occupied flats (both co-operatives and condominiums) (Guttu et al. 2008). The technical standard is generally good, and has been modified through continuous investments. It is an area which, in short, offers a decent space standard, a rich recreational environment and, not the least, a share in the ‘property owning society’. Some sub-areas have a mixture of house types and attract different social groups. Some other sub-areas lack detached and semi-detached housing, which might contribute to out-mobility. There are also problems of overcrowding, despite a high proportion of spacious homes. Guttu et al. (2008) emphasize a set of relationships between immigrant background and overcrowding, child density and overcrowding, and low educational attainment and overcrowding.

A glimpse into the changes is given in table 36. This analysis is carried out at two geographical levels, first with 37 units and then with seven units. The first one consists of 15 townships in the core municipality (Oslo) and 22 municipalities in the surrounding region (Akershus). It is a suitable division, although it does not capture the finer details of dispersal and clustering. Average

³² Early on, immigrants were excluded from municipal housing. Very few had the opportunity to buy a flat in the co-operative sector. If they had the money, and if they headed for the major co-operative society (OBOS), they would anyhow have to wait their turn. The queue in the 1970s could be several years.

Table 36. Segregation measures for the Oslo region 1995-2010. Municipalities/townships and collections of municipalities/townships (Statistics Norway, The internet bank).

	1995	2000	2005	2010
D index (all immigrants versus Norwegians)	28.9	26.8	30.0	27.6
Share of all immigrants:				
Oslo inner east	22.0	20.3	16.8	15.9
Oslo inner west	8.8	8.1	7.3	7.9
Groruddalen	20.3	21.8	25.1	23.8
Østensjø and Søndre Nordstrand	11.0	12.0	12.5	11.2
Western suburbs/municipalities	23.8	22.3	20.5	20.8
Romerike	8.0	9.2	11.4	13.7
Follo	5.7	5.9	6.0	6.2
Location quotient:				
Oslo inner east	2.23	2.05	1.68	1.46
Oslo inner west	1.21	1.12	1.02	1.07
Groruddalen	1.64	1.8	2.11	2.05
Østensjø and Søndre Nordstrand	1.47	1.60	1.68	1.54
Western suburbs/municipalities	0.78	0.73	0.68	0.70
Romerike	0.38	0.44	0.55	0.63
Follo	0.51	0.52	0.52	0.55

Note: Western suburbs include four townships in Oslo (Nordre Aker, Vestre Aker, Ullern, Nordstrand) and two municipalities in Akershus (Bærum and Asker). A rest category of the immigrant population, approximately 0.4 per cent, is not counted. One part of this group lives in the core of the city; another part lacks a location address.

population size of municipalities and townships in 2010 was 24,400 in Akershus and 38,800 in Oslo. The second division is based on more or less 'natural' morphological characteristics, using three radial divisions (the inner city, the inner suburbs, the outer suburbs) and three sector-based divisions (west, east/north and south).

We notice, in the first row, a fluctuating level of segregation between Norwegians and all immigrants. A dispersal occurred between 1995 and 2000, and further between 2005 and 2010, whereas 2000 to 2005 was marked by concentration. The change between 2005 and 2010 is likely to reflect a combination of refugee settlement and secondary migration from other regions. It follows logically that declining secondary migration is a plausible factor behind dispersal in later years. But to repeat, we also spot a redistribution of immigrants within the region. Oslo inner east

has reduced its share of all immigrants since the late 1990s, in a period of growing population density (see the location quotient in table 36). A first stage of dispersal includes suburban districts and townships within the municipality of Oslo (Groruddalen, Østensjø and Søndre Nordstrand). A second stage appears to include 'overspill areas' north and east of Groruddalen. These areas (Romerike) experience a marked growth in the location quotient. Grorudalen, while still a major inflow area, has entered a more stable development.

A remarkable feature in table 36 concerns the sinking proportion of immigrants in the western suburbs. This is a vast area, comprising 332,000 inhabitants, and it remains a slightly isolated part of the city. It is a part of the region which holds the key to a further reduction in segregation levels.

Ethnic segregation in the Oslo region has

Table 37. Segregation between non-western immigrants and Norwegians in the municipality of Oslo. Based on census tracts

	Share of population	Isolation index	D index
1988	6.5	13.0	38.5
1993	10.2	20.1	41.2
1998	13.0	25.7	43.7
2001	15.7	29.0	43.7
2003	16.9	30.4	43.1
2005	18.2	32.3	43.1
2006	18.9	33.2	43.0

Note: The number of census tracts changed in 1998, from 477 to 552.

Table 38. D index between minority groups and Norwegians in the municipality of Oslo, 1998 and 2008. Based on 92 neighbourhoods (Source: Blom 2009).

	1998	2008	Share 1998	Share 2008
Non-western immigrants	38.3	36.4	13.0	20.6
Selected countries:				
Pakistan	49.3	53.6	3.2	3.6
Somalia	47.1	44.3	0.6	1.7
Sri Lanka	57.3	64.1	0.7	1.3
Poland	23.4	20.8	0.3	1.2
Iraq	43.6	43.8	0.3	1.1
Turkey	48.7	51.0	0.8	1.0
Morocco	45.8	45.3	0.8	1.0
Vietnam	53.2	49.2	0.7	0.9

not been thoroughly studied. Some data have been presented for a larger area, covering Oslo, Akershus and parts of the neighbouring counties Østfold, Buskerud and Vestfold (Pettersen 2003). The remaining analyses have been restricted to the municipality of Oslo or to sub-areas within Oslo.

Tables 37 and 38 are based on two studies by Svein Blom at Statistics Norway. Table 37 reports changes in segregation measures for non-western immigrants during 1988 to 2006 at the level of census tracts, which is the most refined division available. We note here a substantial growth in the D index between 1988 and 1998, and a stable situation between 1998 and 2006.

A somewhat different index, the isolation index, grew throughout the whole period, but at a stagnating pace. Contrary to the D index, the isolation index takes into account the relative size of the minority and majority populations. It shows, in statistical terms, the probability that members of a particular group (here: 'non-western immigrants') will meet members of the same group in their own census tract. It is obvious that this index has changed its path of growth: it is now only affected by the size of the non-western population.

Table 37 looks at segregation across 92 sub-areas. This division has recently been constructed by analysts in the municipality of Oslo. It is an attempt to differentiate between localised com-

Table 39. Concentration (location quotient) of minority groups. Districts in Oslo 2010 (Oslo municipality: population statistics).

	Population	Location quotient				
		Inner east	Inner west	Grorudalen	Western suburbs	Østensjø, S. Nordstr.
Non-western immigrants	117514	1.08	0.49	1.87	0.36	1.33
Former Yugoslavia	8597	1.09	0.59	1.79	0.34	1.40
Rest of Eastern Europe	3076	1.05	1.36	0.81	0.94	0.97
Turkey	5991	0.73	0.31	2.50	0.16	1.46
Africa north of Sahara	7235	1.45	0.37	1.71	0.26	1.34
Ethiopia/Eritrea	3910	0.94	0.44	2.01	0.47	1.14
Somalia	11572	1.93	0.43	1.28	0.30	1.13
Rest of Africa south of Sahara	5949	1.10	0.68	1.58	0.54	1.17
Afghanistan	2514	1.03	0.36	2.47	0.24	0.82
Sri Lanka	7221	0.39	0.07	3.29	0.09	1.09
India	3684	0.66	0.72	1.85	0.39	1.73
Iraq	6837	1.34	0.29	1.94	0.28	1.16
Iran	5344	0.87	0.82	1.68	0.48	1.32
Pakistan	21203	0.77	0.09	2.26	0.15	2.01
Vietnam	5575	1.21	0.46	2.03	0.23	1.19
Rest of Asia	13579	1.06	0.84	1.35	0.76	1.00
South and Middle America	5227	1.34	1.30	1.14	0.56	0.85

munities or neighbourhoods, based on physical and social characteristics. The period of analysis is 1998 to 2008.

A weak tendency towards desegregation can be seen in these data. The non-western minority population has apparently spread over a larger part of the city. However, we also note that different minority groups have different patterns. Two of the largest groups, Pakistanis and Tamils, have become more segregated. Some other large groups, Somalis and people from Vietnam, have dispersed from their initial settlements. Yet other groups, e.g. Iraqis and Moroccans, have maintained a stable level of segregation.

The location quotient (i.e. the share in each sub-area divided by the share in the municipality) for 16 national and continental groups is shown in table 39. A key point, again, is the distinction between suburban and inner-city location.

Some 'old' immigrant groups, such as the Pakistanis, the Turks and the Indians, are greatly over-represented in eastern and southern suburbs (Gruddalen, Østensjø and Søndre Nordstrand). The same is true for several groups with a shorter immigrant history: the Tamils, the Afghans, the Iraqis, the Iranians, the Ethiopians and the Vietnamese people. One recent group, the Somalis, differs notably. This group exhibits a more 'traditional' location pattern, with a high concentration in Oslo inner east. The main explanation is probably that they live in municipal housing, which are highly concentrated to Oslo inner east.

Aalandsli (2009) has recently analysed immigrant settlement in the eastern and southern suburbs. He emphasizes that most groups have a long experience as immigrants in Norway. The proportion of immigrants with at least 15 years of residence is 33 per cent for the nation and 40

Table 40. Share of the minority population in the eastern and southern suburbs with at least 15 years of residence in Norway. Selected groups (Aalandsli 2009).

	Søndre				
	Bjerke	Grorud	Stovner	Alna	Nordstrand
Pakistan	51	58	63	61	66
Somalia	13	25	23	22	22
Turkey	49	49	51	64	63
Iran	50	45	43	55	68
Iraq	8	21	14	11	24
Morocco	48	55	-	67	59
Vietnam	69	70	69	80	78
Sri Lanka	51	44	58	53	-

per cent for Oslo. Similar figures for Pakistanis, Turks and Vietnamese people in the eastern/southern suburbs vary between 51 and 80 per cent (Table 40). This clearly indicates that many families have dispersed to new areas as part of a housing career. It fits conveniently with the evidence provided by Blom (2002), who studied immigrant settlement and mobility in great detail. He showed that non-western immigrants who moved from Oslo inner east to the satellite towns (i.e. the eastern/southern suburbs) were better off than some comparable groups (among them internal movers in the inner east). He thus depicted dispersal from initial settlements as a voluntary move, arising from housing needs and increasing expectations. It was not, as it were, a displacement from gentrifying areas (ibid).

Blom was not able to utilize the housing survey of 2001. Without such data, he could only vaguely indicate the importance of housing tenure. Non-western immigrants were, he suggested, moving from rental housing in the inner east to owner-occupied housing in the satellite towns. Norwegian households who made the same move were, by comparison, often home owners. This would explain a net economic difference: the latter group had a lower income than stayers and internal movers (within Oslo inner east). In other words: an upward move in the

non-western population might correspond to a downward move in the Norwegian population. Such a pattern, if it proves to exist, clearly affects the context of integration in Oslo.

Much of the prevailing evidence, including Blom's research, highlights a classic relationship between relocation/dispersal and socio-economic status. To quote a UK study: "Migration gives spatial form to social stratification" (Simpson et al. 2008:168). Yet, the Oslo pattern also contains some peculiar features. One group, the Tamils, has become strongly segregated despite successful integration into the labour market and the educational system (see chapter 3). The Pakistani group has developed in Oslo over 40 years. It is spread over many districts and townships, but not the western part of the city. Only 1 per cent of the group lives in Oslo inner west! Iranians, by contrast, has a much higher representation in the western districts. Economic integration in this group appears to trigger a more profound dispersal throughout the inner and the outer zone. As a whole, the pattern clearly points beyond a pure economic rationale. The additional factors behind clustering/dispersal include cultural motives, urban experience, demographic behaviour (i.e. fertility/mortality) and, not the least, inter-group relations. At present, there is not much knowledge about any of these factors.

6. Conclusions

The objective of this country report is to contextualise the national conditions for the immigration and integration of immigrants into Norway. This includes a description of the main traits of the Norwegian welfare state and to some degree the ideology behind it. To understand these conditions, the special policies developed to control immigration and ease immigrants' adaption to take part in society are discussed. The characteristics and analysis of the migration flows into, out of and within Norway and the urban areas yields a picture of where immigrants and descendants find access to liveable conditions when settling in Norway.

6.1. The solidarity principle - a cornerstone of the Norwegian welfare system

Historically, Norway is characterised by high income equality, low unemployment and wide-ranging and inclusive welfare arrangements. If you are in need, you should get economic and other kinds of help or assistance from the public sectors. This principle builds on mutual reciprocity. It is only sustainable if all the members of society perform according to one's means. The social welfare arrangements build on a complex combination of public social insurance and redistribution. The redistribution policies have become more selective, for instance in housing policy, social services and elderly care. Norway nevertheless remains a state-dominated welfare nexus. A large part of the benefit system is dependent on or attached to labour activity, and is difficult to alter. The union movement sees this system as a key historical achievement, and defends it with unyielding force.

The union movement also played a major role during the downturn years in the 1990s. A contract ('the solidarity alternative') between la-

bour, capital and government brought Norway back on track, with low unemployment and great internal demand, within the span of five years. A combination of political commitment, mutual trust and economic resources facilitated this traditional approach. Today, there are signs of strain. Many of the growing industries, both consumer services and business services, have a low union density and a market-based approach to wage. This has made it difficult to maintain a low level of inequality. A redistribution in favour of rich individuals and families is particularly pronounced in the fast-changing Oslo region. Part of this region, the municipality of Oslo, faces a difficult poverty problem. Non-western families in particular are often locked into poverty for a long period of time. Much of the problem appears to lie in a weak relation to the labour market.

All demographic groups in Norway are strongly encouraged to participate in waged work, as part of the 'social insurance policy'. The patterning of gender in the labour market is, in this respect, a key concern. Female employment has been rising rapidly since the 1970s. A 'male breadwinner' model has thus been replaced by a 'dual earner' model. The majority of mothers continue to work after child-birth, often in full-time position. Their decision is supported by three welfare state arrangements: an inclusive system of child care, a generous maternal/paternal leave system and a tax system based on joint taxation for spouses. The present gender order is, however, also marked by occupational segregation. Women are poorly represented in specific industries, for instance crafts industries and finance, and in upper-level positions.

Work and its institutions are important parts of the Norwegian integration context. This is partly an ideological issue, related to a deep-seated work ethic. But it is also a practical issue: many sorts of welfare statistics show that work 'pays'.

6.2. Immigration to Norway

People have immigrated to Norway for hundreds of years. A new immigration flow in the late 1960s gained increasing strength over the following decades. This flow was different for two reasons: it brought people from distant continents, with different values and practices, and it had a larger volume than previous flows. Currently, immigrants and their offspring make up 11,4 per cent of the population. Approximately 51 per cent originate in Asia, Africa, Latin America or Turkey. East Europeans have increased their share to 25 per cent.

There have been several shifts in the official gateways to Norway. The first one appeared in the mid 1970s, when labour migration was succeeded by family reunifications. A new flow of refugees and asylum-seekers emerged in the 1980s, and has continued in wax and wane ever since. The enlargement of the European Union brought a new wave of labour migration, with Poland rising to the top of the immigration statistics. Finally, there is also a new type of reunifications, involving transnational marriages between majority men and minority women.

The immigrant population has 'matured' in two senses. First, it has become more balanced in demographic terms, partly through immigration of women and partly through natural population change (i.e. births and deaths). Second, many groups have climbed the social ladder. These groups are marked by an increasing level of employment and a high educational motivation. The participation in higher education is particularly high among descendants from India, Iran, Sri Lanka and Vietnam. Some other groups, however, lag behind. This is not only a question of residence in Norway. Individuals in some groups exhibit a lack of integration (e.g. a combination of high poverty, low employment and low participation in higher education) even

after many years in Norway. There is, in other words, a marked ethnic divide in the pattern of economic and social integration.

6.3. Policy analysis related to immigrant settlement and integration

Since the new immigration in the 1960s, there has been an ongoing policy development regarding immigration *control, integration and inclusion*. When it comes to integration and inclusion, the question has been what is necessary to accomplish in order to adapt the immigrants and their families to the expectations of participation in education, work and organisational life in Norway. Later, there has also been a focus on how services and welfare arrangements have to adapt to a multicultural population. The policy development has been rather pragmatic and incremental. Simultaneously, there has been a growing debate about social integration and adaption to core values in everyday life such as gender equality. It seems as if the later policies towards the integration of refugees have worked rather well. Refugees are settled all over Norway and their mobility towards central urban areas has slowed down, which is in accordance with Norway's labour market and regional policy. It is more difficult to verify if the comprehensive inclusion policy has had any impact on housing and settlement patterns. However, in Oslo, naturalisation has proven to correspond positively with homeownership and moving to the suburbs. The various public economic arrangements to help people keep their home, regardless of tenure, have probably been of importance.

6.4. Housing for all in the owner-occupied market

The housing market in Norway is dominated by homeownership, and has a low level of regula-

tion. Only 23 percent of all households rent their dwelling and only five percent live in municipal social housing. This implies that the ethnic minorities have plan on ownership early in their career in Norway to be able to buy a satisfactory place to live. The result is a high share of homeowners compared to other countries. Sixty-three percent of the ethnic minorities own their home compared to 75 percent of the whole population. Access to homeownership meets less discrimination than rentals. The access to cooperative housing is the most regulated, and is where one meets with the least amount of discrimination. Conditions in the housing market have contributed to heavy segregation in the metropolitan area. Those who do not manage to cope with the owners market in urban areas face difficult and expensive situations in the private rental market. There is no longer any special policy to care for ethnic minorities in the housing market, except for the first settlement of refugees. Otherwise, ethnic minorities are treated on par with the majority population. The most important policy means for households are probably the housing allowance. There has been an increase in the number of recipients of housing allowances, especially among ethnic minorities, which reflects a tightening in the household economy. Another tool, comprehensive area programs, is targeted at immigrant-dense city districts and neighbourhoods. The intention is to improve the level of living, reduce majority out-migration and attract majority households to these areas.

6.5. Migration flows and settlement patterns in Norway

Immigrant settlement in Norway has dispersed over the last decade. A new introduction program, effectuated in 2003, appear to have stabilised the refugee population, possibly through the creation of new multi-ethnic clusters. A paral-

lel but rather different process takes place in the Oslo region. Immigrants have spread from the inner city to the inner suburbs and further to the outer suburbs. This expansion has a contained form: it is directed towards low-priced and medium-priced homeownership districts north and east of the city. The high-price western districts are scarcely affected by the relocation dynamic.

The importance of geographical scale looms large in the Oslo data. We sense that new clusters are created at a low geographical level. What is more, some old immigrant groups continue to cluster at a high geographical level. This applies for instance to the large Pakistani group.

Further research should focus partly on macro-level constraints (e.g. housing and settlement policies), partly on micro-level behaviour (e.g. fertility and mobility), partly on cultural values (e.g. preservation of customs and language), and partly on discrimination and inter-group relations (e.g. selective mobility in the Norwegian majority).

All in all, the immigration to Norway has proved successful in many ways even though there are problems and challenges. The majority of the immigrants are finding their way into the labour market, and are able to take care of their living situation, though more often with public support than the majority. However, Norway is in a special situation in terms of immigrants integrating into the housing system by becoming homeowners. Still, they have developed a different mobility pattern than the majority. When living in the metropolitan region, they are concentrated in certain areas. This segregation pattern is now perceived to be among the most serious challenges following immigration.

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Contextualising ethnic residential segregation in Finland: migration flows, policies and settlement patterns

Mari Vaattovaara, Katja Vilkama*, Saara Yousfi*, Hanna Dhalmann* and Timo M. Kauppinen***
**Department of Geosciences and Geography, University of Helsinki*
***National Institute for Health and Welfare*

Country report for Finland

Contextualising ethnic residential segregation in Finland: migration flows, policies and settlement patterns

Mari Vaattovaara, Katja Vilkama*, Saara Yousfi*, Hanna Dhalmann* and Timo M. Kauppinen***

**Department of Geosciences and Geography, University of Helsinki*

***National Institute for Health and Welfare*

1. The Finnish welfare system

Mari Vaattovaara, Saara Yousfi & Timo M. Kauppinen

1.1. The birth of Finland – the youngest of the Nordic welfare states

Finland has been an independent nation for less than one hundred years. Before that, it was a Grand Duchy of the Russian Empire from 1809 to 1917 and part of the Swedish Kingdom from the 12th century onwards. Its peripheral location between the two big powers has been interpreted as a significant societal factor and as a major boost to its efficiency, its early internationalization and even the growth of the telecommunications sector (Vaattovaara 2009).

The egalitarian tradition dating back to the beginning of the last century has a profound influence not only on income distribution, but also on the educational ethos. The Finnish educational system has never been as selective as the British, French or German systems with its principle of equal opportunities for all social classes throughout the country (Mäkelä 1999: 157). The results are particularly impressive, as Finland has been ranked first in the OECD's PISA evaluations. Furthermore, the participation of females in education and work is among the highest in Europe. This is considered a unique phenomenon, and has again been related to the small size of the country and its specific location between two great powers. Finland as a nation, cannot afford to

exclude any stratum of the population (Jutikkala 1965; Kuusi 1968; Alapuro 1985; Mäkelä 1999).

National-level politics have thus had a profound influence on the Finnish political system. The very existence of the welfare state relies on a kind of national uniformity - equality being understood in the framework of cultural uniformity, or even like-mindedness. Thus, the top-down political approach to issues related to welfare, segregation and housing is deep-seated and has a long tradition in the political system of the country. In a situation in which the nation has been able to raise the level of education and the standard of living and improve housing conditions and the quality of available services for all, national political guidance has not met with any strong resistance.

Finland has experienced rapid changes in the decades since the 1960s. These developments were triggered by extensive societal changes. The first of these relates to the late but rapid industrialisation accompanied by the relatively fast growth in wealth. The subsequent rapid process of urbanisation and the improvement in housing standards provided a good basis on which to reinforce the structures of the welfare state. Unlike in many European countries, most people in Finland lived in the countryside until the 1950s. At that time the private sector employed more than half of the working population and accounted for 40 per cent of the national output. At the same time, GDP per capita (5,782.72 dollars) was less than two thirds of that of Sweden (9,113.92 dollars).

Overall, investments in the welfare model were made at a time of rapid urbanisation, internationalisation, and growth not only in public services but also in trade. The share of trade in the GDP grew fivefold, and that of industry threefold in 50 years. However, Finland has never experienced a phase in which industry was the biggest employer, and this has affected the demand for labour in different parts of the country. Agriculture had become more effective by the 1960s, and there were fewer job opportunities in rural areas. This led to massive internal migration as well as to emigration. Within ten years, about one million of the 4.5-million population had moved away from rural areas to the bigger cities. Moreover, tens of thousands of people a year emigrated to Sweden in the late 1960s and early 1970s (see Chapter 3.1.1 for more about labour migration to Sweden).

There were also major changes in the GDP, which grew at an average annual rate of 5.2 per cent from 1950 to 1974. The achievement of prosperity made the extension of the welfare state possible in the 1960s and smoothed out the inequality until the end of the 1980s. The proportion of social expenditure of the GDP increased from 9.4 per cent to 24.6 per cent between 1960 and 1990. The rapid increase was attributable to the expansion of social rights and services, and this phase could be called the “construction” phase of the Finnish welfare state.

In sum, Finland’s development into a Nordic welfare state happened late, but relatively rapidly compared to the other Nordic countries. Finland had reached the average Nordic level by the end of the 1980s.

1.1.1. The basic postulations of the Welfare state – small income differences and full employment

The Finnish welfare system provides a wide range of public services and a relatively high

level of income security to all permanent residents (see Sarvimäki 2008). In most cases, eligibility for benefits does not depend on nationality or residence status. Residence-based benefits include the national pension, labour-market subsidy (unemployment allowance unrelated to previous employment), housing allowances, family benefits and minimum-level sickness insurance and parental allowances. Some benefits have further conditions, mainly related to residence duration.

Overall, the scope of the social policy is broad. The model implies a strong public-service sector distributing welfare services and benefits to all families in need. The welfare system is based on a high degree of universalism, which means that residents are entitled to basic social-security benefits and services regardless of their background and socio-economic position (Kautto et al. 1999). These benefits include health care, child day care and free education. The ideological cornerstone behind the welfare state is equality among individuals regardless of their demographic, socio-economic or ethnic characteristics. As Magnusson Turner (2010: 12) points out, the welfare policy is “*comprehensive, i.e. it includes everybody in contrast to residual welfare regimes*”. It is said that strong universalism is behind the strong public support of welfare policies. However, some benefits such as labour-market subsidy, housing allowance and social assistance, are means-tested, meaning that the financial situation of the household affects the level of benefit.

One of the basic postulations of the welfare system in Finland has been the assumption of almost full employment. Everyone is supposed to have a positive relation to work and consequently a right to social security. The social-security benefits are designed to give support during short periods of unemployment, but not for longer periods and not for more widespread un-

employment-related problems. Many benefits, such as the basic pension, parental allowances and unemployment allowances are earnings-related. The income differences have been kept moderate through progressive taxation and income redistribution.

The Finnish welfare system is also characterised by the prevalence of dual-career households. Unlike in most European countries, where the increase in women's employment-participation rate has explained much of the growth in labour supply, women in Finland have enjoyed high levels of employment for quite some time and there are no differences between married and single women.¹ Women's participation in working life is facilitated by an extensive day-care system that guarantees a place for children under school age. The right to day care applies to all children regardless of their parents' employment situation and it is therefore seen as a way of providing equal developmental opportunities to all children.

Housing has also traditionally had a central role in the Finnish welfare state. According to the Finnish Constitution, it is the duty of the public authorities to promote everyone's right to housing, and to support attempts by individuals to find housing on their own initiative. The state has had a strong influence in the formation of the housing market and not only in establishing the high-standard home-ownership system but also in the social-housing sector. Over half of the rental dwellings in Finland are state-subsidised in terms of construction.

Social welfare is financed from different sources. In 2008, employers' earnings-related payments made the biggest contribution (38.4 per cent). The state finances the basic social-security benefits and gives funding to the municipi-

palities (25.1 per cent of the expenditure). The municipalities share in the financing of social expenditure has been increasing (18.6 per cent in 2008). The municipalities finance social and health services and certain social-assistance benefits through taxation, central government transfers and fees paid by clients. The insurance contributions paid by employees accounted for 11.2 per cent of the costs (see Lehto et al. 2002; Characteristics of... 2007; Arajärvi and Palotie-Heino 2010).

Thus, the inputs to the welfare system, in other words the means of supporting the model, are manifold, with strong state involvement. The political commitment to full employment, together with high female employment, universal and free education up to the university level, health care, and a relatively even income distribution in terms of both wages and disposable income is strong.

1.2. Changes in the welfare state and economic structures

The golden years of the Finnish welfare state were during the 1980s. There was almost full employment and the standard of living was rising quickly. This positive economic development was combined with annual increases in most indicators of welfare-state expenditure. Prior to the economic restructuring of the 1990s, the problems related to unemployment were structural and affected the rural areas. Due to the rapid industrialisation and urbanisation, unemployment remained low in the urban areas, the rates in the various neighbourhoods of Helsinki varying between 0.4 and 2.1 per cent in 1990, for instance.

1.2.1. Economic restructuring and changes in the labour market

At the beginning of the 1990s, Finland faced the worst recession to affect the OECD coun-

¹ However, there is a wage gap between the genders, which increases significantly during the first ten years after labour-market entry and accounts for most of the life-time increase in the gender wage gap (Napari 2008).

tries since the Second World War. Within just a few years, the unemployment rate was the second highest in the EU. The main reason for this was the collapse of the Soviet market, which had accounted for 20 per cent of Finnish exports. GDP declined by 12 per cent over the period 1991-1993, and the unemployment rate, measured as the per centage of the labour force claiming unemployment benefits, rose from four per cent to 21 per cent between 1990 and 1994. This situation led to a financial crisis and large cuts in public expenditure. There is no longer full employment, unemployment has stagnated at the EU average level, and seems to have become permanent. Men were more severely affected than women during the recession years of 1990-1994, unemployment being more severe for men on account of differences in the various employment sectors (Table 1). According to the Labour Force Survey, the unemployment rate peaked from 3.6 to 18.2 per cent for men, and from 2.7 to 14.9 per cent for women.

The recession, together with changes in the economic structure and the arrival of immigrants, resulted in the proliferation of short-term employment. Unfortunately, the employment statistics prior to 1997 do not cover that. Table 2 traces the recovery and reveals the gender differences. The proportion of people in permanent employment increased from 82 to 85 per cent after the recession. However, the increase for men

was five per centage points but less than three per centage points for women. There is a general upward trend of part-time working among both men and women, which increased from six to eight per cent, and from 15 to 18 per cent, respectively.

The continuous high unemployment rate is problematic for the Finnish economic structure. To some extent it is due to the restructuring and the rapid changes in skill requirements. Increased productivity reduces the demand for labour in many traditional industries. The forest industry is a good example of this. The companies may continue to grow, but nowadays the growth tends to be in their overseas operations. The Finnish economy is export-intensive: exports accounted for 36 per cent of the GDP in 2008, whereas the average in the Euro area was 17 per cent (OECD 2010). However, the export fields are not labour-intensive.

Trade unions and employer organisations have a strong influence in the Finnish labour market. There has been a tradition of cooperation between the major players - trade unions, employer organisations and the government - in the development of working life and technological reforms. Since 1968 they have followed a comprehensive incomes-policy agreement, TU-PO, the aim of which is to control the development of wages and employment terms. The TUPO agreements used to include social-policy

Table 1. The labour-market position, 1989-2009 (Statistics Finland, Labour Force Survey 2010).

		1990	1991	1992	1993	1994	1995	2000	2005	2009
Population, 15-64 years (1000)	Total	3 351	3 367	3 383	3 393	3 403	3 409	3 465	3 496	3 547
	Men	1 688	1 696	1 704	1 711	1 717	1 720	1 751	1 767	1 793
	Women	1 664	1 671	1 679	1 682	1 686	1 689	1 714	1 729	1 754
Unemployment rate (%)	Total	3.2	6.7	11.8	16.5	16.7	15.5	9.8	8.5	8.4
	Men	3.6	8.1	13.7	18.2	18.3	15.8	9.1	8.3	9.0
	Women	2.7	5.2	9.6	14.5	14.9	15.1	10.6	8.7	7.6
Employment rate (%)	Total	74.1	70.0	64.7	60.6	59.9	61.1	66.9	68.0	68.3
	Men	76.7	71.5	65.7	61.5	61.1	63.1	69.4	69.5	68.8
	Women	71.4	68.4	63.8	59.6	58.8	59.1	64.3	66.5	67.9

Table 2. Employees by gender and type of work contract, yearly averages, 1997-2009 (Statistics Finland 2010).

		1997	2000	2005	2009
employees total (1 000)	Total	1846	2016	2098	2123
	Men	925	1011	1038	1029
	Women	922	1006	1060	1094
permanent work total (%)	Total	81.6	83.5	83.4	85.4
	Men	84.3	86.9	87	89.4
	Women	78.9	80.1	79.9	81.6
temporary work total (%)	Total	18.3	16.4	16.5	14.6
	Men	15.6	13.0	12.9	10.6
	Women	21.0	19.9	20.0	18.4
part-time work total (%)	Total	5.8	5.2	5.4	5.0
	Men	10.4	12.0	13.1	13.3
	Women	5.9	7.2	8.0	7.9
	Women	15.0	16.9	18.1	18.4

reforms such as the development of private employee pension schemes, extended annual holidays and shortened working hours, but these old-style agreements are not likely to continue. The challenges for the future include increasing flexibility and diversity within the labour market and in collective-bargaining practices.

1.2.2. The knowledge-based society

There was a rapid turnaround in the Finnish economy in the mid-1990s, following the end of the recession. However, this rapid recovery differed from earlier periods of rapid growth in at least two ways. Firstly, the new economic growth is regionally selective: the strong population and job increases have taken place only in a few urban regions - first and foremost in the Helsinki region.² The annual increase in employment at the end of the 1990s was four per cent, which at the time put Helsinki among the three fastest growing metropolitan areas in Europe. De-

spite the slight slow-down, the region remains among the fastest growing in Europe, measured in terms of population, employment and Gross Value Added per capita (Laakso and Kostianen 2007; Vaattovaara 2009).

Secondly, the areas of economic growth have changed. The net growth in employment from 1960 to 1990 was based on an increase in the number of jobs in the public sector, which tripled. The private sector declined, in relative terms. The new economic growth, from the 1990s onwards, is based on growth in the private sector - in knowledge-intensive industries, telecommunications and business-to-business services. These industries have been largely responsible for the growth in GNP (5.1 per cent a year on average), at a speed that clearly exceeds that in the US (3.1), Japan (4.4 per cent) and the EU (2.6). The leading edge of the growth has been the ICT sector, led by Nokia, which has become the world market leader in mobile communications. Indeed, Helsinki and Finland, on account of Nokia, have been held up as one of the best examples of the development of an information society (Castells and Himanen 2002). According to Statistics Finland, up to one third of wage

² The Helsinki region consists of the municipalities of Helsinki, Espoo, Vantaa and Kauniainen in the metropolitan area, and the municipalities of Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Sipoo, Tuusula and Vihti.

earners were engaged in information-related occupations in 1980, increasing to 44 per cent in 1995 but then levelling off. Consequently, Finland has transformed from a northeastern periphery, largely dependent on the forestry, pulp and paper industries, and public services, to one of the world's leading information societies by any standards.³

The positive economic development of Finnish society has its foundations in the education system, which is based on the Nordic welfare model. The main form of national policy to support the development of industrialisation and the creative and knowledge industries has been to raise education levels. The main aim until 1975 was to create an industrial society, and thereby to advance economic growth through industrialisation. This was followed by the introduction of regional policies, from 1976 to 1988, and the creation of a strong, equal welfare society. As a result, educational institutions were spread regionally as part of a strong regional policy. The expansion of the university network from three to twenty universities in various cities and towns helped to establish public financing institutions for business-oriented research and development (Vartiainen 1998).

The Finnish educational ethos is part of a long egalitarian tradition dating from the beginning of the last century. Finns tend to value education highly, regardless of their socio-economic background. Consequently, whereas teachers in many European countries are faced with attendance resistance from disadvantaged segments of society, the resistance in Finland has so far been similar in comprehensive schools across all social strata (Jutikkala 1965; Alapuro 1985; Mäkelä 1999). Whether there have been any changes in

attitudes towards education due to the recent societal changes remains an open question.

1.2.3. Income inequality and poverty

The new economic growth emphasises the role of high-level education as a labour-market resource. With new growth at the upper end of the social scale, new social and spatial divisions are emerging. As a result, some population groups benefit, but the less-educated, working-class groups are left behind. Earlier educational differentiation in the Helsinki region, for example, is thus gradually breeding both unemployment and income differentiation (Vaattovaara 1998; Vaattovaara and Kortteinen 2003). As Vaattovaara and Kortteinen (2003: 2142) note: "*The bimodal growth is not a sign of a new bimodal tendency of development in the use of labour but, rather, is the result of a phase of development linked with a structural shift in the demand for labour. According to this interpretation, it is currently a period of economic restructuring and a structural shift during which the demand and the supply of labour only poorly meet*". There is a clear contrast to the former historical shift away from agriculture to industrial work during the 1960s and 1970s in that the rural population was able to move to the new occupations with little or no additional education. This appears not to be the case in the current situation – the educational gap is too wide. Thus, a new kind of polarisation is emerging: there is simultaneous growth in the non-working population and in the highly skilled (Vaattovaara and Kortteinen 2003).

Regardless of the measure, income polarisation declined during the 1960s and 1970s, and remained almost constant during the 1980s until the turning point in the 1990s (Table 3). There was a modest increase in equality during the depression years of 1990–1994 when the Gini coefficient of disposable income rose from 20.2

³ The United Nations Technology Advancement Index (TAI) puts Finland in the leading position in technological development. Finland has also been at the top of the International Data Corporation's information society index (ISI) as long as it has existed.

Table 3. Income dispersion in Finland since 1966, including capital gains, in decile groups according to disposable income per consumption unit (Statistics Finland 2010).

Year	Gini coefficient, %, Disposable income	Interquintile share ratio (S80/S20)	Income shares, Decile 1+2	Income shares, Decile 10
1966	30.9	4.9	8.0	23.8
1971	26.7	3.9	9.1	21.4
1976	21.5	3.0	10.7	18.4
1981	20.5	2.9	10.6	17.5
1987	19.7	2.7	11.3	17.6
1990	20.2	2.8	11.4	18.1
1992	19.9	2.7	11.6	18.2
1994	21.1	2.9	11.4	19.1
1996	22.3	3.0	11.0	19.8
1998	24.8	3.4	10.3	21.5
2000	26.7	3.7	9.9	23.3
2002	25.6	3.6	9.9	22.0
2004	26.6	3.8	9.7	22.8
2006	27.3	3.9	9.5	23.3
2008	26.8	3.8	9.5	22.8

to 21.1 per cent and the unemployment rate increased rapidly from 3.2 to 16.6 per cent. The modest increase in inequality is attributable to the fact that although the depression caused a distinct fall in real household income, government income transfers almost fully compensated for the shortfall (Mattila-Wiro 2006: 3).

The inter quintile ratio, in other words the ratio of incomes in the highest quintile to those in the lowest, shows the same trend as the Gini coefficient. The disposable income of the upper quintile declined from five-fold to three-fold versus the lowest quintile, but then increased back to a ratio of almost four to one (see Table 3).

The proportion of total income in the upper decile has increased over the last ten years. The increase in disposable income is, in fact, concentrated within the top one per cent, amounting to 122 per cent from 1990 to 2001. The comparable growth rate was only one per cent in the first decile, and seven per cent in the second. The overall growth rate was 19 per cent. The

income inequality has thus far persisted in the 2000s (Riihelä 2009: 27, 32). Although poverty in Finland remains low compared with other OECD countries (Figure 1), it has worsened during the last twenty years, and there are wider regional disparities to the benefit of the metropolitan area (OECD 2010: 113-115).

The main factor that has driven up the relative proportion of top incomes since the mid-1990s is the increase in importance of capital income. The 1993 Finnish tax reform is one of the key factors responsible for this trend. The differential taxation of labour and capital income created a situation in which the share of top capital income increased and progressivity declined. The relative poverty rate has increased over the same period, while top incomes have soared (Mattila-Wiro 2006: 3; Riihelä 2009). The increase in capital income also increased inequality in Sweden in the 2000s (see Swedish chapter 1.2.3).

The proportion of people on a low income has increased regardless of the poverty line. With

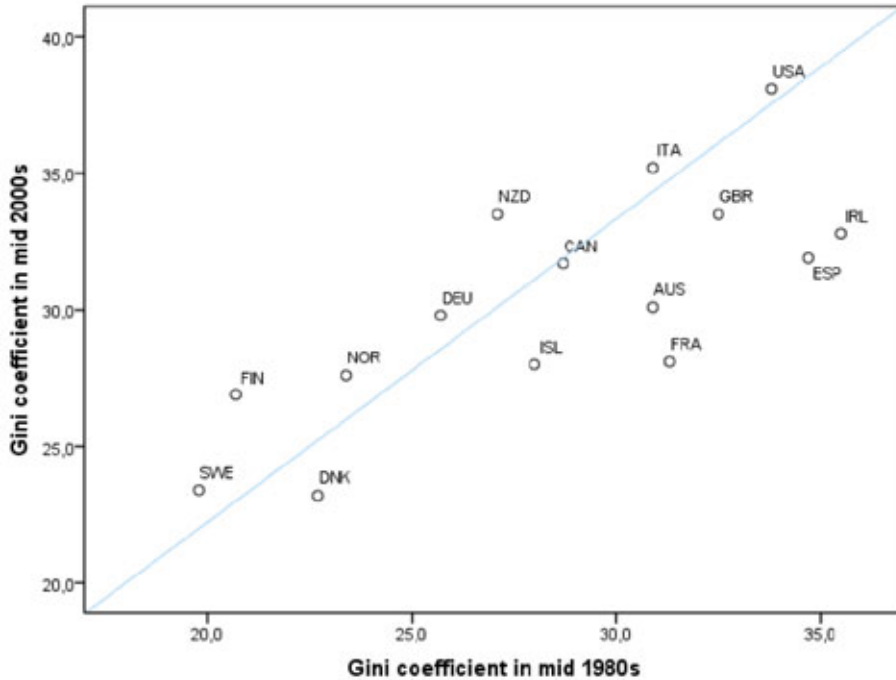


Figure 1. Income inequality from the mid-1980s to the mid-2000s (OECD 2010).

the low-income line at 60 per cent of the median equivalent income, poverty increased from eight per cent in 2000 to 14 per cent in 2008 (Eurostat 2010). The relative poverty rate has thus almost doubled during the last 15 years, the fastest rate of increase in all the OECD countries (Moisio 2010; OECD 2008). However, the earnings of the poorest group, i.e. the first income decile, increased by nine per cent between 2000 and 2007. Moreover, if poverty is measured on indicators that reflect the relative deprivation of commodities regarded as necessary by the majority (CONCE), or on indicators measuring respondents' subjective feelings of problems in making ends meet (SCARCITY), there seems to have been a diminishing trend over the years 1995, 2000, 2005 and 2010 (Ritakallio 2010). A sensible explanation for these contradictory findings is based on the nature of the growth in poverty: growth in relative income poverty is not linked primarily to deprivation in consumption either objectively or subjectively, but to growth in income differ-

entials, especially between middle-income and low-income households. Overall, income transfers and taxation have been effective in reducing income differentials in the Nordic countries, and have helped to reduce poverty rates even if these countries are close to the OECD average in terms of factor income (Kautto et al. 1999). The reduction is losing ground, however, as the increase in the level of basic social benefits has lagged 30–40 per cent behind the increase in the general income level (Moisio 2010). The result is that a bigger proportion of people living on social benefits has slid beneath the relative poverty threshold tied to the median income (ibid).

Relative income poverty has become more severe. The biggest change in the composition is the deterioration in the position of unemployed households and families with small children (Riihelä 2009). A turning point was the reform of unemployment insurance in 1994 (see the section on social welfare), which is also visible in Figure 2. Incomes have risen in all socio-eco-

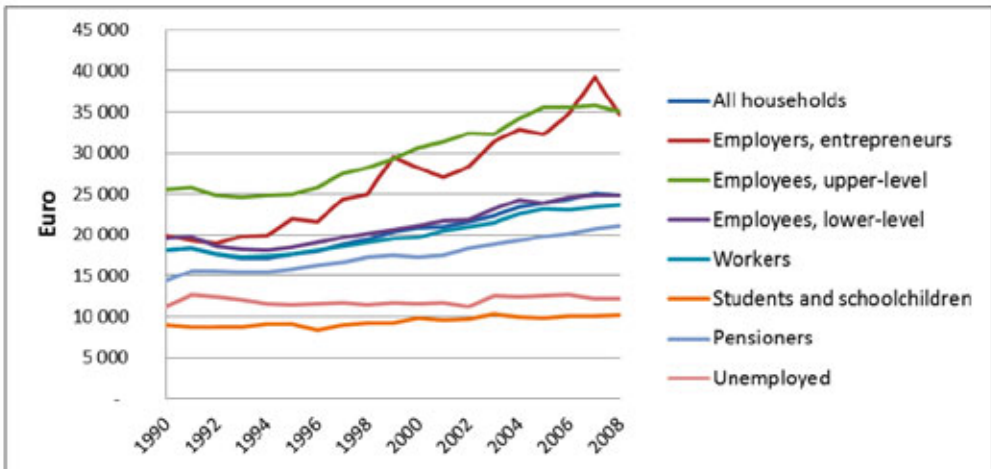


Figure 2. Household disposable income by socio-economic group⁴, in euros at the 2008 value (Statistics Finland 2010).

Table 4. The per centage risk of poverty among different household types in 2008: on the scale this means more than 60 per cent below the median income (Eurostat 2010).

Household type	Finland	EU27	Sweden	Norway	Denmark
TOTAL	13.6	16.5	12.2	11.3	11.8
One adult older than 65 years	40.3	28.0	26.8	31.7	21.3
Single female	33.2	27.8	27.4	35.2	25.5
Single male	32.5	23.0	22.3	23.2	24.7
One adult younger than 64 years	28.9	24.2	24.0	28.1	26.8
Single parent with dependent children	24.9	35.2	26.8	21.5	16.0

conomic groups, but more among employers and the self-employed.

The risk of poverty differs by population group. It is more than 40 per cent for the elderly (Table 4), an increase on the 24 per cent recorded in 1996. The differences between single women and single men are only minor, but single people as a group face a high risk (33 per cent). Single parents with dependent children are also severely at risk (25 per cent). The proportion of children living in households vulnerable to poverty was a little under five per cent of all children in 1990, rising to as high as 13 per cent in 2008 (Eurostat 2010).

According to Suoniemi and Rantala (2010), the distribution of lifetime income has widened, and income mobility decreased between the late 1990s and the early 2000s. The drop in mobility

is largest among the youngest age groups and the probability of staying in the lowest income decile has increased.

Riihelä (2009) found substantial regional convergence in relative income levels from 1966 to the mid-1980s. Since then the relative regional disparities have remained constant. He also noted the same U-shaped regional pattern of inequality over the period as in the whole country. The relative regional differences have diminished, and individual income inequality has become the dominant feature of the overall income distribution.

⁴ Household members are placed in a socio-economic group on the basis of their activity in the previous 12 months. Upper-level employees are in administrative, managerial, professional and related occupations, and lower level employees are in clerical and sales occupations.

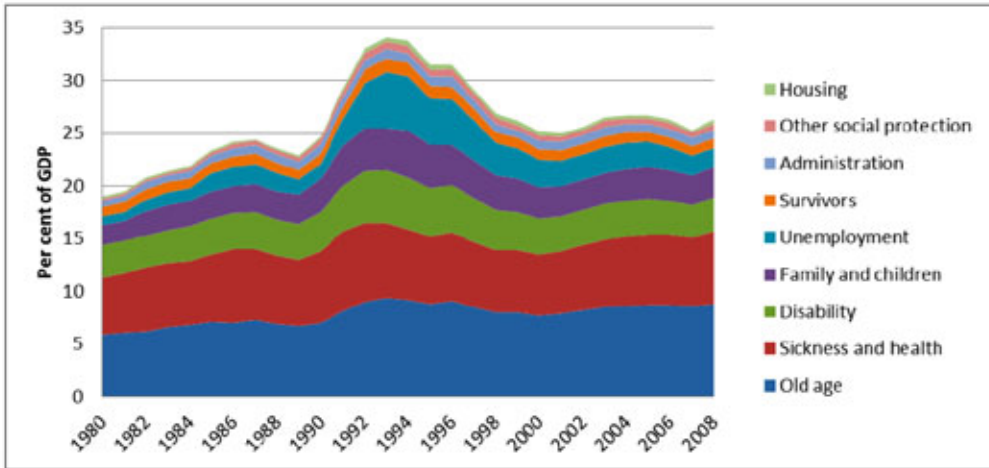


Figure 3. Social-security expenditure in 1980-2008 as a proportion of GDP (Arajärvi and Palotie-Heino 2010).

1.2.4. Social welfare

The construction of the Finnish welfare state benefitted from a long period of favourable economic development and stable public economy from the 1960s until the 1980s. These conditions changed dramatically when Finland experienced an exceptionally deep economic recession during the first half of the 1990s (see Kalela et al. 2001). The 12-per-cent decline in GDP over the period 1991-1993 and the dramatic, rapid increase in the unemployment rate raised the GDP share of social expenditure by one third (Figure 3). The

financial crisis required extensive cuts in public expenditure, a major proportion of which concerned social services and health. The basic social-welfare structures were largely untouched, but there were reductions in most benefits and services (Lehto et al. 2002). One of the consequences was that Finnish social insurance became increasingly employment and earnings-based (Niemelä and Salminen 2006).

Finnish social expenditure amounted to 48.6 billion euros in 2008. Without taking inflation into account there was a 2.3-per-cent increase in expenditure over the previous year. Over the

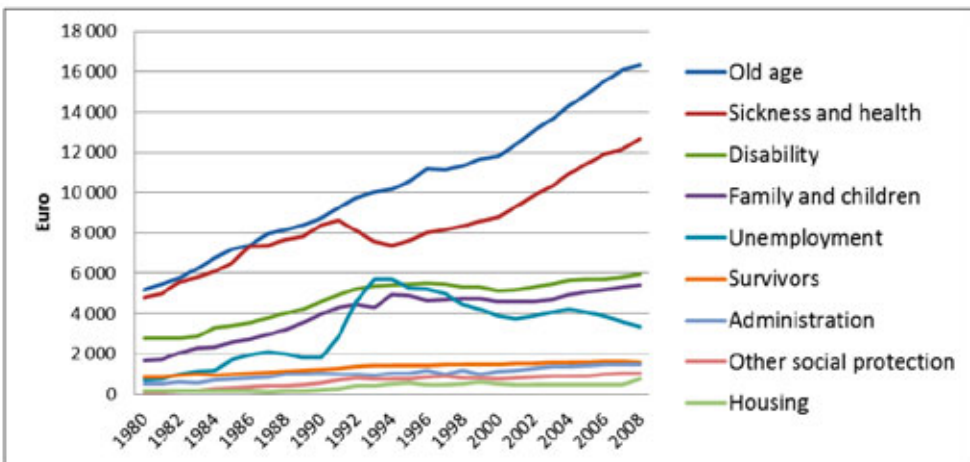


Figure 4. Social-security expenditure by category in millions of euros, at 2008 prices (Arajärvi and Palotie-Heino 2010).

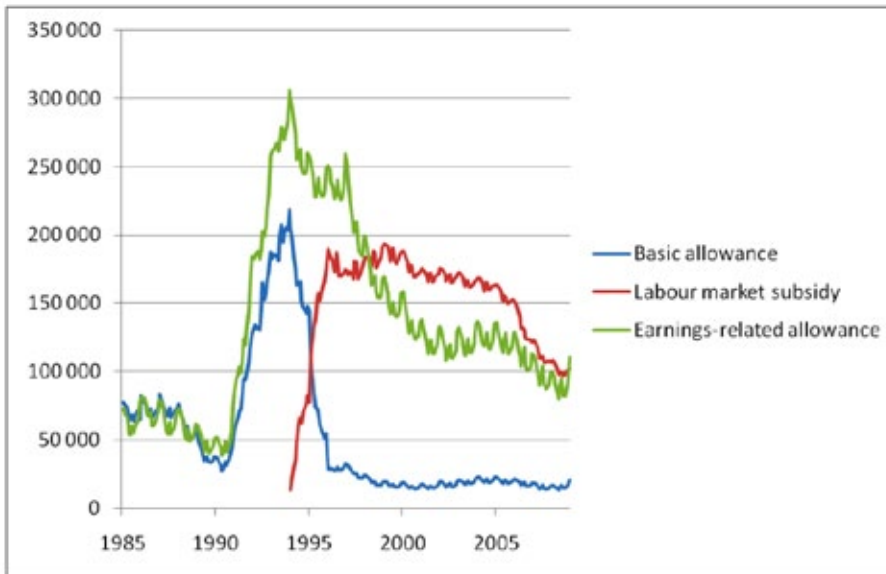


Figure 5. Recipients of different types of unemployment allowance per month, January 1985 – December 2008 (The Social Insurance Institution of Finland and the Financial Supervisory Authority)

long term, pensions have accounted for the largest increase in expenditure (Figure 4). Old age accounted for the largest share of social expenditure followed by sickness- and health-related spending. The proportion of social expenditure of the GDP has been slightly below the average of the EU15 countries since the turn of the century, below Sweden and Denmark but above or at a similar level with Norway (26.3 per cent in 2008). However, social-protection expenditure per capita in terms of purchasing power has been consistently lower than in Sweden, Denmark and Norway (Arajärvi and Palotie-Heino 2010).

As a result of changes introduced since the recession of the 1990s there is an increased level of means testing in the provision of welfare benefits. Figure 5 illustrates this in the case of unemployment benefits. In 1993, the basic flat-rate unemployment benefit was divided into a basic allowance that was not means tested for those fulfilling the employment conditions, and a means-tested job-seekers allowance for those who did not, or who had received the earnings-related or the basic allowance for the maximum 500 days.

The change was of particular relevance to the long-term unemployed and those without work histories, such as young people and immigrants.

Social welfare has also been tightened by increasing the use of ‘activation’ policies. The rapid economic recovery in the mid-1990s did not lead to a corresponding decrease in unemployment, which was becoming increasingly long-term. This, in conjunction with membership of the European Union, brought about a new activation discourse in Finnish employment and social policy (Keskitalo 2008). This stronger emphasis on activation - removing work disincentives and enforcing the unemployed to work - came to Finland at the turn of the century, which was later than in many other European countries. In the case of social welfare, basic benefits have increased slowly in comparison to the development of earnings, which has led to increased income poverty. New eligibility rules have also been introduced. For example, recipients of unemployment benefits may be required to take activation courses or to seek further education. These rules target the young and the long-term unemployed

Table 5. Dependency ratios in 1940-2009, with predictions until 2030 (Statistics Finland 2010)

	1940	1950	1960	1970	1980	1990	1992	1994	2000	2009	2020	2030
Economic dependency ratio*		1	1.2	1.2	1.3	1	1.3	1.5	1.2	1.2		
Dependency quota**	74.5	79.7	84.8	74.8	67.1	63.5	64.4	65.6	65.2	66.3	81.1	91.2

*The ratio of those dependent on social welfare to the numbers employed.

**The ratio of the naturally dependent (0-19 years and 65+ years) to the working-age population (20-64 years).

in particular. However, some of the recession-related cuts were mitigated in the 2000s, and social welfare in Finland is still on the average European level.

The aging of the population will place additional demands on the social-welfare system in the future. The proportion of employed persons was at its highest in 1950. It has decreased since then, and the proportions of students and pensioners in particular have grown. The national dependency ratio⁵ during the worst years of the depression in 1994 was 1.5, which means that there were 150 outside of the labour force per 100 employed persons. The current the ratio is 1.2 on average (Table 5), ranging from around one in the main city regions to above two in areas of high unemployment.

The age-group-related dependency ratio, or the dependency quota, expresses the relation between the naturally dependent and those usually in employment (20-64 years). The dependency quota was exceptionally high (85) in 1960 because of the effects of large-scale emigration on the population structure. Currently it is around 66. Rapid changes are predicted: the dependency quota is expected to be as high as 81 in 2020 and more than 91 in 2030. This will put further pressure on the structure of social welfare in general.

1.3. Future challenges

The Finnish welfare state is currently facing new

challenges related not only to income differences, unemployment and social welfare in general, but also to the additional structural changes to the welfare model that will come about in the near future. International migration is a case in point. Immigration has been increasing in the major Finnish cities since the 1990s, and this has influenced the social and spatial differentiation processes within these regions. This trend is predicted to continue, and to have tremendous effects on the population composition of the largest cities. According to the new population forecast, there will be 186,000 more inhabitants in the Helsinki metropolitan area by 2030, of which 130,000 are predicted to be native speakers of foreign languages (Vieraskielisen väestön... 2010: 6, 14).

Secondly, there is the ageing of the population, which in percentage terms will be a faster process than in any other European country during the next 20 to 30 years. According to the Ministry of Finance (2006: 14), not only will the dependency ratio change, the number of people of working age will start to decrease in 2010, and the number of people in employment will start to decline in 2015.

The ageing of the population is increasingly challenging in terms of the financing of welfare policies as the demographic and economic-dependency ratio becomes more unfavourable. Major external threats include the impact of globalisation on the labour market, and the development of European integration (Niemelä and Salminen 2006).

⁵ The economic dependency ratio describes how many people are dependent on benefits per those who are productive in the labour force.

2. Finnish housing markets

*Saara Yousfi, Katja Vilkama
& Mari Vaattovaara*

2.1. The Finnish housing stock

Finland has about 2.8 million dwellings, which is about 522 dwellings per 1,000 inhabitants. Single-family houses make up nearly half of the housing stock, attached dwellings (terraced or town houses) account for 14 per cent, and dwellings in multi-storey residential blocks for 44 per cent (Statistics Finland 2010).

Owner-occupancy and rental are the two main forms of housing tenure. Owner-occupancy is the most common type, accounting for 59 per cent of the housing stock in 2008, whereas rental accounted for 30 per cent. Home ownership is either direct, generally referring to detached housing,⁶ or indirect in the form of housing-company shares in the case of apartment blocks. In the latter case, the owner of each individual apartment is a shareholder in the housing company, which manages the property and is a self-governing economic unit. Shareholders are entitled to decide about matters affecting the control and use of the apartment block in accordance with the number of shares they own. Despite the formal legislative differences, the ownership of shares in a housing company is generally considered equivalent to direct ownership in the Finnish housing market (Karlberg and Victorin 2004: 58). Detached property constitutes slightly over half (55 per cent) of all owner-occupied housing, and condominiums amount for 45 per cent.

The rental-housing sector comprises private rental accommodation and state-subsidised social housing. There is a relatively small amount of private rental accommodation, only 13.5 per cent of the housing stock, whereas social housing

accounts for 16.8 per cent. The proportion of social housing is among the highest in Europe: the median for the EU-27 countries is 9.4 per cent, and in only seven countries, including Finland, does it exceed 15 per cent (Eurostat 2010; see Whitehead and Scanlon 2007).

Two per cent of the Finnish housing stock comprises right-of-occupancy and part-ownership dwellings, which lie somewhere between rental and owner-occupied housing. Both are rather new forms of tenure, which were introduced on the Finnish housing market at the beginning of the 1990s and the beginning of the 2000s, respectively.

Table 6 shows the distribution of tenure types on the national level and in the Helsinki region. There are significant differences between the rural and urban areas. The proportion of owner-occupied housing is notably smaller in the major urban areas, and particularly in Helsinki, than on the national level, and the proportion of rental housing is correspondingly higher: only 45 per cent of the housing stock in Helsinki is owner-occupied, including condominiums and detached housing. Social housing accounts for up to 22 per cent of the entire housing stock. The proportion of owner-occupied housing in the metropolitan area is close to 50 per cent, and as high as 67 per cent in the Helsinki region. Almost a quarter of the Finnish housing stock is situated in the Helsinki Region.

The late urbanisation of Finland is evident in the housing stock (Figure 6). The overwhelming majority of Finnish housing (90 per cent) was built after the Second World War, and particularly since the 1970s. The mass migration from rural to urban areas in the 1960s created an increasing housing shortage and a growing need to develop state-led housing construction. Construction, in terms of volume of completed dwellings, peaked in the 1970s and 1980s: almost one third of the multi-family housing blocks were built during

⁶ Detached housing is generally in private ownership, but can be also owned by a housing company.

Table 6. Dwellings according to tenure type, 2008 (Statistics Finland 2010).

Tenure	National		Helsinki		Helsinki Metropolitan Area		Other Helsinki Region	
	N	%	N	%	N	%	N	%
Owner-occupied	1 638 732	59	144 977	45	263 614	49	90 372	67
<i>A house</i>	894 960	32	11 192	3	38 162	7	48 583	36
<i>A flat</i>	743 772	27	133 785	41	225 452	42	41 789	31
Rented	824 164	30	144 351	45	213 991	40	31 087	23
<i>Private rental</i>	374 803	14	73 771	23	98 788	19	12 924	10
<i>Social rental</i>	449 361	16	70 580	22	115 203	22	18 163	13
Right of occupancy	32 308	1	6 632	2	13 871	3	2 952	2
Other	272 721	10	28 150	9	41 127	8	10 691	8
Total	2 767 925	100	324 110	100	532 603	100	135 102	100

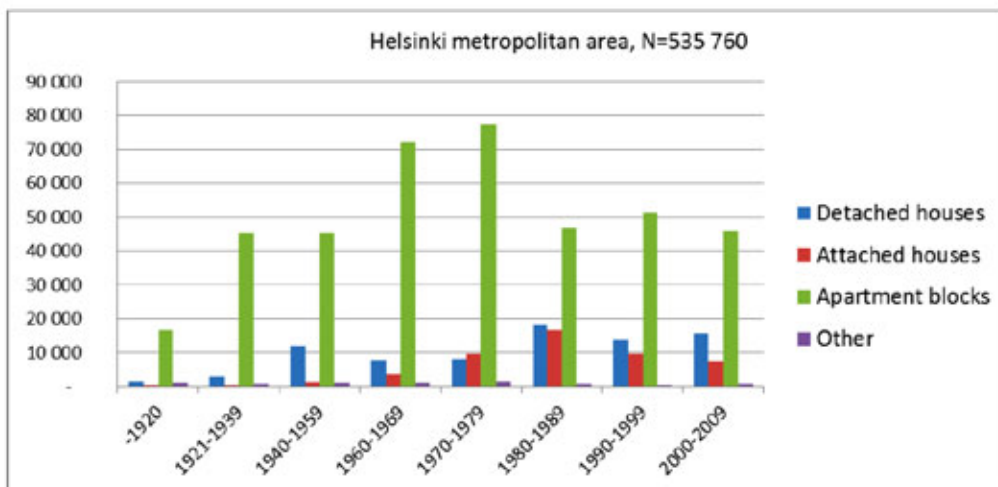
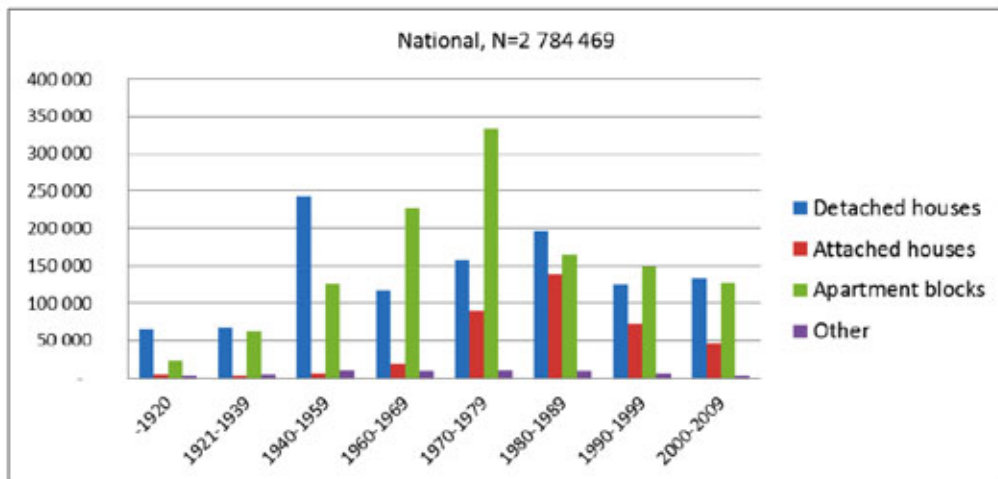


Figure 6. Finnish housing stock by type of building and year of completion (Statistics Finland 2010)

the 1970s. The peak was a decade earlier in Helsinki, in the 1960s, when large new residential areas began to spring up along the city borders. Almost 20 per cent of Helsinki's housing stock was built in the 1960s.

Unlike in Norway, where housing production has adjusted to a series of changes in housing preferences (e.g., from large-scale to small-scale construction, see Norwegian chapter 2.2), large-scale high-rise building has been predominant in Finland, and especially in the metropolitan area.⁷ The bulk of housing production in the 1960s and 1970s comprised multi-family apartment blocks (61 per cent and 56 per cent of the new dwellings, respectively; see Figure 6), and in Helsinki as much as 92 per cent of all housing construction in the 1960s, and 83 per cent in the 1970s, comprised apartment dwellings. This stock is currently by far the least energy-efficient in the entire housing stock. The investments required to reconstruct the whole stock were enormous.

There is increasing interest in smaller-scale housing, particularly in the metropolitan area, according to research findings on people's preferences and the continuous and rapid growth in peripheral areas - the suburbanisation process. However, the vast majority of the housing stock in the metropolitan area still comprises multi-family dwellings.

2.2. Access to different types of tenure

2.2.1. Owner-occupied housing

There are no specific rules determining access to owner-occupied housing in Finland, the de-

termining factor being the prospective buyer's purchasing power.

Unlike in many other EU member states with their special mortgage institutions, owner-occupied housing consumption in Finland - in terms of renovation and acquisition - is financed largely by private banks and the owners' own resources. The most common way of obtaining finance is to take out a bank loan, which the state subsidises through reduced tax liability on the interest. The state also eases access to owner-occupancy through special savings programmes and guarantees, which are targeted at young, first-time buyers (see subsection 2.3.2 for more details). The banks have the right to assess the financial standing of prospective buyers and to determine their eligibility for a housing loan.

Owner-occupied detached housing is taxed in accordance with a property-value taxation scheme, which adds to overall acquisition and living expenses. Residents of owner-occupied flats pay a monthly maintenance charge that covers maintenance and heating costs, and water supply.

Prices of owner-occupied housing have increased significantly since the latter half of the 1990s. This has made it increasingly difficult for families to buy owner-occupied flats, not to mention detached property, in urban areas. There are wide differences in property prices between the major urban areas, smaller cities and rural country towns. Price differentials have also increased within the urban areas since the end of the recession of the early 1990s (for the outcomes of the price differentiation see subsection 2.4.1).

The typical amortisation period for personal housing loans increased during the 1990s, and nowadays is between approximately 20 and 25 years, against around 30 years in Denmark, for example. There are also notable differences in the interest on housing loans: 75 per cent of housing loans in Denmark are at fixed interest rates,

⁷ However, most of the housing built immediately after the Second World War was detached housing. The war had resulted in a housing shortage together with a lack of resources. A standardised, simple detached house model was created to provide a quick solution.

whereas 97 per cent of Finnish loans are tied to floating interest rates (Housing market... 2010; Kannas 2010).

2.2.2. Private rental housing

Providers of private rental accommodation include private companies, banks, insurance companies, and foundations or non-profit associations. However, individuals who buy property as an investment and rent it out on the open market own about two thirds of the private rental stock (Housing market... 2010). Rented units are therefore often located alongside owner-occupied units in buildings owned by housing companies.

Rent control was gradually relaxed in the private sector in the early 1990s, and was abolished in 1995. However, according to the Act on Residential Leases (1995/ 481), the amount of rent should be reasonable. The act also specifies responsibilities and rights between property owners and tenants.

In general, access to private rental accommodation is not regulated. Owners have the right to allocate their rental dwellings according to their own criteria, as long as they are not in conflict with anti-discrimination legislation. In most cases, a refundable deposit, often equivalent to two months' rent, is required as a prerequisite for signing the contract. Owners of private rental accommodation also have the right to check the credit rating of prospective tenants beforehand.

In many cases, the advertising and distribution of vacant rental dwellings is in the hands of estate agents hired by the owner. Individual access to private rental accommodation is thus influenced by several potential gatekeepers, not to mention income level and the ability to pay the required rent and deposit.

The increasing level of rents and the need to pay a deposit restrict access to private rental accommodation among lower-income households,

particularly in the major urban areas. There may be other more direct forms of discrimination, but there has been no systematic study on ethnic and socioeconomic discrimination in the private rental market in Finland.

2.2.3. Social housing

How social housing is defined varies widely in different European countries (see e.g., Whitehead and Scanlon 2007). In Finland it is a question of the state-subsidised provision of rental housing through public and private non-profit organisations for people who meet the eligibility criteria. The dwellings are generally owned and managed by municipalities, social-housing companies owned by the municipalities, or non-profit housing companies⁸ and organisations. By law, there are no differences in the allocation of dwellings among the different providers, although the municipalities and companies owned by them tend to carry the biggest responsibility for providing housing for the most marginalised low-income households.

Access to social housing is means-tested. Eligibility depends on the social and financial circumstances of the applicant in terms of household income, assets and the urgency of the need for housing. The Council of State sets the upper income limits annually in relation to family size and region of the country. The limits were rather generous, and approximately 75 per cent of the population qualified (Varady and Schulman 2007: 321). Compared with other European countries, the upper income limit was relatively high, and upwardly mobile tenants were allowed to remain in social rental accommodation even if their income later exceeded the set limits.

Income limits were abolished in April 2008,

⁸ Many non-profit housing companies also own and manage accommodation rented on the private market (for profit).

and the selection of tenants is now based solely on the urgency of the housing need. The first priority is given to applicants with the most acute need, including homeless persons and families, households living in extremely crowded conditions, and people moving home to start a new job. The Housing Finance and the Development Centre of Finland advises municipalities and other providers of social housing on the categorisation of applicants into one of three groups according to their housing need. If two or more households have similar needs, priority is given to those with less income. Capital assets are also taken into consideration, and there are still upper limits that restrict the eligibility of wealthier households.

According to the legislation, the allocation of accommodation should aim to create and maintain socially balanced living environments in social-housing estates. Several “hard-to-let” households should therefore not be placed in the same building, or in the same neighbourhood (Arava ja korkotuki... 2008: 18). In some cases therefore, the principle of prioritisation is neglected in order to prevent the spatial concentration of the most vulnerable households in the same estates. This has significance particularly for the residential patterns of immigrants, as the municipalities may use their right to breach the principle of urgency in order to prevent residential segregation. Applicants for social housing are not put in a queue, which makes the selection of tenants less transparent. Accommodation is usually allocated on a case-by-case basis, which leaves much room for discretion on the part of individual social-housing providers.

As in Denmark, the level of rents in the Finnish social-housing sector is based on the cost-recovery principle, meaning that all maintenance and capital construction costs are covered by tenants’ rents. Rent levels therefore vary significantly depending on the age, location and construction costs of the housing estate. Some

municipal social-housing companies adjust the rents in order to keep them at a reasonable level in all of their estates. Unlike in some other European countries (see e.g., Whitehead and Scanlon 2007), Finnish social-housing rents are thus not linked to the income of the residents. The non-profit principle guarantees that the state subsidy covering the production of social housing ends up with the residents.

In general, rents in the social-housing sector have remained below the level of rents in the private sector. Many municipalities have a renovation schedule that keeps the dwellings in a relatively good condition. Pre-rental deposits are also usually much lower, or non-existent, for social housing, which makes it more accessible to low-income households. Furthermore, social housing is a more secure form of tenure than private rental accommodation: once a dwelling has been allocated the tenants are entitled to reside in it as long as they wish, provided that they pay the monthly rent and do not disturb their neighbours.

Social housing is the best option for many immigrant households whose level of income and assets may not enable them to rent from the private sector, or to buy into owner-occupancy. According to the legislation on refugee reception, municipalities are specifically obliged to assist refugee households to find accommodation. In practice, this usually means assigning them a dwelling in social housing owned and managed by the local municipality.

According to the Housing Finance and the Development Centre of Finland, more than 200,000 households annually apply for social housing, and almost one third of the applications are successful. In Helsinki however, where the housing market situation is very tight, the success rate is less than 20 per cent (Housing market... 2010).

2.2.4. Part-ownership and right-of-occupancy housing

Part-ownership and right-of-occupancy housing lie somewhere between owner-occupancy and tenancy. The purpose of these two new tenure types is to bring home ownership within the reach of lower-middle class families that could not otherwise afford to buy into owner-occupancy in the private market.

Residents in these dwellings initially purchase a small proportion of the shares, usually up to 15–20 per cent, and the remainder are held by the housing company (Laki vuokra-asuntojen... 232/2002). The main difference between the two new tenure types is that in the case of part-ownership residents may later purchase the rest of the shares, after a fixed period, and thus become owner-occupants, whereas right-of-occupancy dwellings cannot be transformed into owner occupancy (Housing market... 2010), although residents have the right to reside in them as long as they wish.

In addition to buying into the scheme, residents pay a monthly charge that covers the maintenance costs of the building. The charge is based on the cost-recovery principle as in the case of social housing, and is often equivalent to a monthly rent. Both of these new types of housing have been criticised on account of the cost to residents, who may end up paying more for their housing than if they lived in their own property or in social housing.

When residents of right-of-occupancy dwellings move out, the sum they paid to ‘buy into’ the scheme is redeemed, with appropriate adjustments according to the construction cost index. In the case of part-ownership, residents have the right to sell their apartments on the private market once they have achieved full owner-occupant status. The price is then no longer regulated (Osomistusasunnot 2010).

Access to part-ownership and right-of-oc-

cupancy housing is means-tested in accordance with the same legislation that applies to social housing. Eligibility is therefore based on the social and financial circumstances of the households and the urgency of their housing need. In general, would-be residents are not eligible for right-of-occupancy or part-ownership housing if they own a dwelling that meets reasonable housing standards in the same municipality, or have the means to acquire one (Housing market... 2010). Eligible residents are selected from a waiting list on the basis of their requirements in terms of the size and location of the desired dwelling.

2.3. Policies focused on accessibility, affordability and creditworthiness

Housing has been an integral part of Finnish welfare policies since the 1960s. The aim has been to provide affordable, decent-standard housing for all residents. According to the Constitution of Finland, the municipalities have the duty to promote everyone’s right to housing, and to support attempts of individuals to find housing on their own initiative (Ministry of the Environment 2010). The state has a strong influence on the housing market, not only in supporting the high-standard home-ownership system, but also in the area of social housing. Over half of the rental accommodation is state-subsidised.

The Finnish housing policy supports both the supply and the consumption side of the housing market. The provision of state subsidies is the most visible mechanism used by the national and the local governments to increase the production of reasonably priced housing, and to support the renovation of the existing housing stock (see Huovinen et al. 2010).

Table 7. Dwellings financed by state-subsidised loans, 1949-2007 (Statistics Finland 2008).

	1949– 1970	1971– 1980	1981– 1990	1991– 2000	2001– 2007	Total
Housing corporations	106 798	103 048	42 271	6 486		258 603
Detached private houses	54 471	70 612	38 901	7 735		171 719
Social rental housing	66 205	113 960	80 854	55 608	9 768	326 395
Dwellings for the elderly	..	22698	11833	8634	2 641	45 806
Other special housing	2 535	1 248	1 420	2 444	2 776	10 423
Right-of-occupancy dwellings	..	..	..	23 314	4 894	28 208
Student dwellings	2 700	11 897	11 048	7 068	3 062	35 775
Total	232 709	323 463	186 327	111 289	23 141	876 929

2.3.1. Production-support mechanisms

The main mechanisms through which the housing policy supports production include government loans, guarantees and interest subsidies. State-subsidised housing production is financed through loans from the state or private financial institutions at favourable state-subsidised interest rates. This form of support is nowadays mainly directed towards the building of social rental dwellings, right-of-occupancy dwellings and part-ownership housing. The construction of owner-occupied housing and market-oriented rental dwellings is privately financed (Housing market... 2010).

The state-subsidised housing loan system, called ARAVA, dates back to 1949. The goals of the initial legislation were not social, but rather aimed at increasing housing production and reflected the notion of filtering (Bengs and Loikkanen 1987: 83). The idea was that support of the wealthier upwardly-mobile households would indirectly benefit lower-income households as the previous dwellings of the wealthy became vacant. Thus, in the early years, eligibility for state-financed dwellings was not restricted by income, and as a result about half of the population in partly state-financed condominiums belonged to the highest social groups (ibid). Almost 70 per cent of state-financed loans were given to owner-occupiers during the first two decades

of the scheme (Table 7).

Social-housing administration and regulations were revised in the mid-1960s, and eligibility for state loans was broadened (Bengs and Loikkanen 1987: 87). There was a significant increase in the production of rental dwellings, the aim being to build 500,000 dwellings in the following ten years. The objective was not only to serve the needs of the industrialisation and urbanisation process, but also to support the construction industry per se. The decision to distribute housing production to all parts of Finland was an integral part of the regional industrial policy (Hainari 2010), the success of which is reflected in the high GDP-investment ratio. State support of housing production was significant during the urbanisation and construction boom of the late 1960s and early 1970s, and covered some 70 to 80 per cent of all housing production (Juntto 1990: 257-258). It was a period in which there were significant changes in construction methods and building types throughout Europe, and much of the new production constituted high-rise multi-family apartment buildings (see Table 7).

There has been a substantial reduction in state-subsidised housing production since the 1980s (Table 7 and Figure 7), meanwhile state-subsidised construction is being channelled almost entirely to social housing, and right-of-occupancy and part-ownership housing.

There was a further increase in state-financed

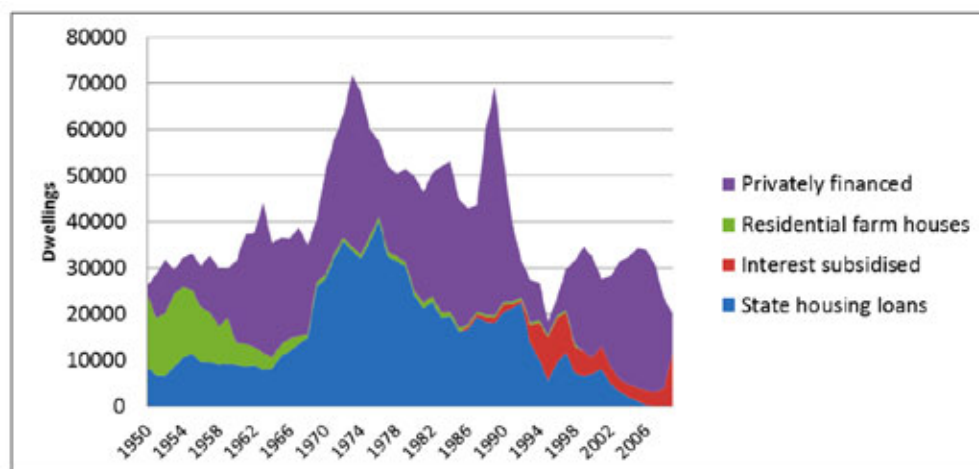


Figure 7. Housing production in Finland since 1950, number of starts (Laine 2010).

social-housing production in the 1990s in support of the construction industry. The industry was hit hard by the severe economic depression of the early 1990s, which had led to a sudden fall in the prices of owner-occupied housing and a subsequent dramatic drop in housing production. The state support of the social housing saved the construction industry from a complete shutdown.⁹ Deregulation of the tenant relationship, which started at that time, increased the supply of private rental dwellings. By 1995, rents were no longer regulated. The per centage of social-housing production, decreased again after the economic recovery, reaching a low of ten per cent in 2007. However, in 2008 the state decided to increase subsidies for housing production again in order to boost the economy during the recession years.¹⁰ In total, 42 per cent of all housing currently in use was financed with the help of state-supported loans. A large proportion of these dwellings, namely those built in the 1960s-1970s, will be released from the rent restrictions during the next couple of decades as

9 State-subsidised construction accounted for 31 per cent of total housing construction in 1990. This figure increased to 84 per cent five years later despite the significant decrease in absolute numbers.

10 State-subsidised housing production covered 19 per cent of the construction of new dwellings in 2008, and peaked at 63 per cent in 2009.

their loans are paid off. This may reduce the size of the social-rental stock in the future.

Housing policy since the 1990s has focused more on the renovation and restructuring of older estates, and unlike in many other European urban areas, demolition is rare in Finland. In recent years, state-financed and interest-subsidised housing production has been channelled mostly to regional growth centres, and is targeted on housing provision for special groups such as the homeless, the elderly and people with mental or physical disabilities. The emphasis has also shifted from direct state loans (stopped in 2007) to interest subsidies, and to state guarantees for private loans.

The support for social-housing construction has directly affected the most vulnerable groups, and those in the greatest need, through the increased supply of rental accommodation. Cost and quality control are inherent in the scheme: the Housing Finance and Development Centre of Finland has to approve all proposed construction and renovation development in order to safeguard standards of architectural design and quality, and to promote geographical and social integration with the environment (Housing market... 2010).

2.3.2. Consumption support

Finnish government support of housing consumption is in the form of housing allowances, tax incentives, tax relief on mortgage payments, and various grants and guarantees.

Housing allowances

The purpose of the housing-allowance schemes is to ensure that housing costs remain at a reasonable level for the whole population. Housing support includes an allowance for pensioners, a housing supplement for students and a general housing allowance, and is available to households in need, regardless of the tenure type.

The general housing allowance is means-tested and is intended to give low-income households access to affordable housing. The upper income limits that determine eligibility are rather low. For instance, a single person living in Helsinki is not eligible if his or her gross income exceeds 1,575 euro per month. The income limits vary according to family size and region, and are set annually by the national government.

The amount of the monthly allowance depends on housing costs, the size and age of the dwelling, family size, and the household's income and assets. In any case, it is at most 80 per cent of what are considered reasonable housing costs, the maximum limits of which are set each year by the government. Twelve per cent of households received the general housing allowance in 2008, one per cent less than in 2000. Of the recipients, 94 per cent lived in rented accommodation and six per cent in owner-occupied dwellings (Kelan asumistukitilasto... 2009).

Social assistance provided by the municipalities supplements housing allowances and is intended to help low-income households to manage their housing costs. The general allowance in larger cities, especially in the Helsinki region,

typically covers such a small proportion of housing costs that low-income households need further assistance. The municipalities apply discretion in giving assistance and the rules regarding 'reasonable' housing costs differ.

Tax incentives and special incentives for young first-time buyers

State support for homeowners is largely in the form of tax incentives. The State subsidises personal housing loans through tax relief on mortgage interest. A personal housing loan from a bank typically covers approximately 70 per cent of the price of the dwelling (Housing market... 2010), although there are various guarantees available that make it possible to finance a higher proportion.

There are also tax incentives for first-time buyers wishing to move up the housing ladder in the form of exemption from the asset transfer tax that is usually payable on all transfers of housing or property ownership. Young first-time buyers are eligible for extra state support through the ASP saving scheme. Anyone aged between 18 and 30 years who does not own a home may join the scheme, which entails saving at least ten per cent of the acquisition price of their prospective dwelling over a period of at least two years. The state then subsidises the interest on the housing loan for the first ten years (Housing market... 2010).

Other incentives

The Housing Finance and Development Centre of Finland also gives repair and energy grants for the renovation and repair of individual apartments and apartment buildings. The grants are mostly for renovation that caters for the needs of the elderly and disabled, lift construction and improvements in energy efficiency.

Figure 8 illustrates the total amount of state

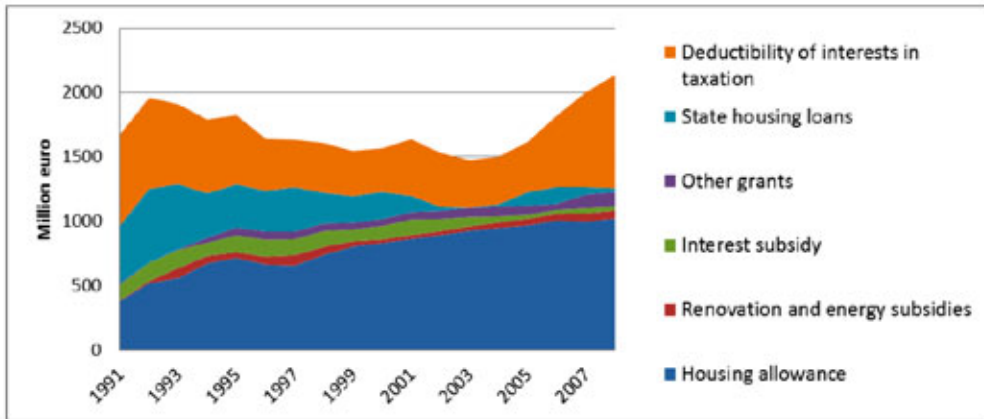


Figure 8. State expenditure on housing support, 1991-2009, in millions of euros (Laine 2010).

support for housing production and consumption in Finland during the years 1991-2009. In monetary terms, housing allowances made the biggest contribution to housing affordability in Finland.

2.4. Housing outcomes

2.4.1. Affordability

House prices have increased significantly in Finland in recent years, most notably in the metropolitan area. Nevertheless Finnish housing costs are around the average European level (Table 8). The increase in prices has led to severe housing-affordability problems among some low-income and newly established households, particularly in the major growth areas of the country.

Until the end of the 1980s, housing costs accounted for about 20 per cent of household expenditure, then increasing to an average of 25 per cent by 1994. The increase affected all income groups at the turn of the century, but particularly those in the first quintile who were faced with

	2000	2005	2010
European Union (27 countries)	156.34	146.31	152.75
European Union (15 countries)	153.26	143.18	:
Denmark	182.6	193.47	176.89
Finland	158.31	151.56	155.62
Sweden	194.49	181.69	167.16

housing costs amounting to over 40 per cent of their disposable income, a level that has persisted (Table 9). At the same time, households in the highest quintile spend, on average, 18 per cent of their disposable income on housing, the national average being 17 per cent (Table 10). Housing expenses in the metropolitan area are about 1.3 times the national average, and are most favourable in rural municipalities.

Tenants spend a higher proportion of their income on housing than homeowners. The oldest and youngest age groups spend, on average, 27-33 per cent of their disposable income on housing, which is more than the other age groups (Statistics Finland 2010). The elderly and single-parent families spend over 31 per cent, and households with two adults with or without children around 20 per cent. Without the general housing allowance housing costs would account for 61 per cent of disposable income among those in rented accommodation, but with the support the figure is 28 per cent.

Table 9. Housing costs as a proportion of disposable income by income group (Statistics Finland).

	1. income quintile	2. income quintile	3. income quintile	4. income quintile	5. income quintile
1985	28.92	22.97	19.61	17.76	15.76
1990	31.41	24.62	20.65	18.85	16.42
1995	32.25	25.44	21.39	19-00	15.96
1998	40.62	30.29	25.73	22.44	17.63
2001	39.02	30.24	23.97	21.37	16.4
2006	37.11	29.25	25.03	22.4	17.61

Table 10. Household housing costs by tenure type and region in 2006 (Statistics Finland 2010b).

	Disposable income, €	Housing costs, €	Shortage of debts, €	Housing loans, €	Housing costs' share of disposable income, %
All tenure types					
Whole country	22 847	3 894	1 066	15 478	17
Helsinki metropolitan area	27 491	4 999	1 464	19 416	18.2
Owner-occupied					
Whole country	25 533	3 442	1 476	22 031	13.5
Helsinki metropolitan area	33 256	4 305	2 411	33 642	13
Rented housing					
Whole country	17 150	4 797	203	1 669	28
Helsinki metropolitan area	20 545	5 786	312	2 086	28.2

The unevenly distributed increases in housing costs have also influenced the spatial patterns of tenure segmentation in the major urban areas since the mid-1990s. According to Lönnqvist and Vaattovaara (2004), for instance, the prices of shareholder apartments in the cheapest housing areas of Helsinki are, in real terms, lower than they were in the 1960s, whereas prices in and around the centre have increased sharply. City-centre housing was three times as expensive as housing in the cheaper suburbs in 2001 (Lönnqvist and Vaattovaara 2004). There has also been a change in the relationship between house prices and the distance from the centre, which is no longer directly proportional. Prices have increased significantly not only in the centre, but also west of the centre, and along the border with Espoo, where many high-tech companies have set up offices (ibid). This has increased segmentation in the housing market, and influenced the patterns of socio-spatial and ethnic segregation in the metropolitan area (see also Chapter 5).

2.4.2. Tenure segmentation

The distribution of households across housing and tenure types is affected by income and family composition. About 37 per cent of owner-occupied property comprises two-person households, and 31 per cent single-person households, whereas the corresponding figures in the rental sector

are 25 and 59 per cent. The majority of people living alone (62 per cent) are housed in apartment blocks, whereas detached housing dominates among all other household types. However, 85 per cent of households in Helsinki live in apartments, including 61 per cent of families comprising four or more people.

There are differences in tenure segmentation between foreign nationals and Finnish citizens. This is partly attributable to differences in age and family structures, and partly to differences in income levels. High immigrant concentration in major urban areas also helps to explain the proportion of immigrants in rented accommodation, which is in any case the most prevalent housing type in urban areas. How much of the segmentation is caused by discrimination and the role of different gate-keepers are open questions. However, there are also clear differences in tenure distribution among the immigrant groups (Table 11).

Tenure-type distribution among Nordic and West European immigrants closely resembles that of Finnish nationals: 56 per cent of Nordic migrants and 53 per cent of West Europeans own their homes. The most noticeable difference appears among immigrants from Sub-Saharan Africa: less than seven per cent are owner-occupiers, and a smaller proportion live in private rental accommodation than among the other groups. In fact, most of them (74 per cent) live in social rental dwellings. Within this group, the division is

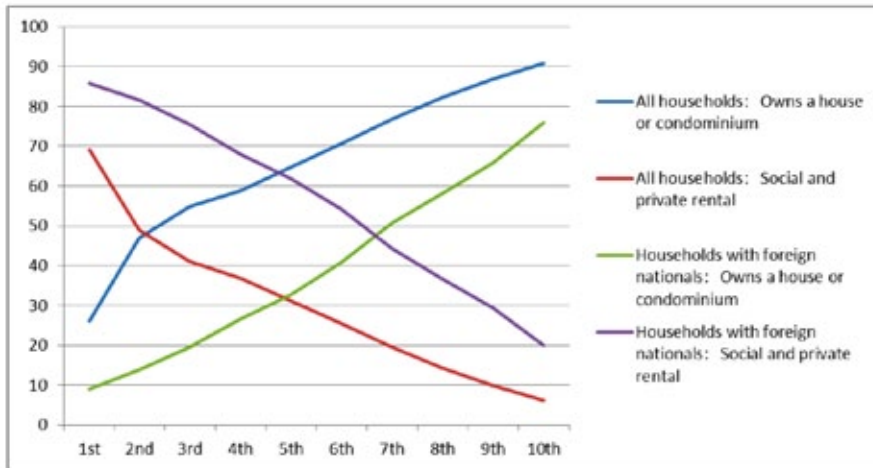


Figure 9. Tenure types by income deciles among non-Finnish households and all households (Statistics Finland 2010c).

Table 11. Tenure segmentation in 2008 by nationality (Statistics Finland 2010c).

Nationality	Tenure type in 2008					Total
	Owns a house	Owns a flat	Private rental	Social housing	Other	
Finnish	46.4	26.8	10.6	12.6	3.5	100
<i>Foreign nationals in total</i>	<i>13.8</i>	<i>17.4</i>	<i>20.8</i>	<i>43.1</i>	<i>4.9</i>	<i>100</i>
Nordic	35	21	20.5	17.2	6.3	100
West European	23.3	29.9	23.2	17	6.7	100
East European	13.6	15.7	19.8	46.3	4.6	100
North African or West Asian	3.6	9.4	22.3	60.4	4.3	100
Sub-Saharan African	1.8	4.8	16.8	73.6	3.1	100
Asian (other than West Asia)	11.6	23.1	21.9	38.5	5	100
Latin American	13.7	28.5	25.7	27.1	5	100
North American & Australian	21	30.2	26.2	16.3	6.2	100
Total*	45.5	26.6	10.9	13.4	3.5	100

* Excluding institutionalised and homeless persons

even more clear-cut: almost 80 per cent of Somalis live in social rental housing, and more than 95 per cent altogether live in rented accommodation, whereas 60 per cent of North Africans and West Asians live in social rental housing (Table 11).

Housing segmentation among immigrants tends to change the longer they stay in their new host country. In 2008, only 14 per cent of all foreign nationals owned a house, and 17 per cent owned a flat (see Table 11). However, the corresponding figures for people born outside of Finland but who had been in the country long enough to gain Finnish citizenship were 28 and 25 per cent. This suggests that the prospects of home ownership among immigrants improve over time. Recent research conducted by Lin-

namäki-Koskela and Niska (2010) supports this assumption: the longer immigrants stay in Finland, the more likely they are to change from rental housing to owner occupation (ibid.).¹¹

The income level of households living in rental housing is notably lower than those living in other types of accommodation (Figure 9). The segmentation of the housing market is more marked among non-Finnish households, which are over-represented in social-rental accommodation in all income groups. Even among

¹¹ According to the research findings, of the immigrants who had arrived in Finland between 1989 and 1993, only 24 per cent were living in owner-occupied accommodation in 1997, rising to 30 per cent in 2004, and 40 per cent in 2007. Ascent up the housing ladder is thus slow, and the speed varies among the different nationalities (Linnanmäki-Koskela & Niska 2010).

the highest income decile almost ten per cent of households with foreign members live in social rental housing, compared with only two per cent of native households (Table 12). Home ownership is more rare among the fifth decile group of households with foreign nationals than among the lowest two deciles of native households, both on the national level and in the Helsinki metropolitan area. Thus, income level is not the only factor explaining the differences in tenure segmentation between immigrant and native populations.

2.4.3. Housing quality

Overcrowding and occupant density

There have been dramatic decreases in occupant density in Finland. However, Finnish dwellings are relatively smaller than dwellings in other European countries. The average area of the Finnish housing stock in 2002 is 77 m² - falling to 71 m² in the Helsinki region and 68 m² in the metropolitan area. By way of comparison, the average area in Denmark is 109 m², and 98 m² in the Netherlands (Lappalainen et al. 2002). These differences persist even though there are no real differences in household size.

In 2008, the average living space per person in Finland was 38.6 m², or 1.8 rooms. This is mostly attributable to the high proportion of smaller housing units in the housing stock: 24 per cent of all homes had just one or two rooms, and 44 per cent had three or four rooms, excluding the kitchen (Table 13). There are also differences in occupant density between family types. In Helsinki, for instance, the decrease in occupant density has not been as marked in larger families as in single-person households (Lankinen and Lönnqvist 2010).

Housing standards and amenities

In general, the standard of housing is very high in Finland compared to the EU average (Table 14). A very small percentage of Finnish households live in conditions of severe deprivation in terms of overcrowding and poor amenities,¹² and the numbers have continued to fall since the turn of the century. Deprivation is very rare among owner-occupiers, amounting to only 0.4 per cent among those with a mortgage or housing loan (Eurostat 2010). The rate of severe housing deprivation is slightly higher among households living in private rental accommodation, but still only 1.9 per cent. What is noticeable is the lower rate (1.4 per cent) among households living in social housing than among those in the private rental market (1.9 per cent). The Finnish policy of state-subsidised housing construction has thus kept the standard of social housing high.

On the Nordic level, Finland has lower rates of deprivation than Sweden, for instance, where 3.4 per cent of private tenants and 6.6 per cent of state-subsidised tenants live in conditions of severe deprivation. These rates are partly attributable to the overcrowded immigrant households with poor amenities.

2.5. The current housing policy

When Finland became a welfare society the state input in housing policy started to increase, reaching peak levels during the construction boom of the 1960s and 1970s, and the recession years of the early 1990s. There have been changes in state control of the housing markets, and in support for housing construction since the 1990s. Regulation of private rental markets was abolished in the early 1990s, and the production of social housing has been concentrated more in econom-

¹² Poor amenities include a leaking roof, the lack of a bath/shower or indoor toilet, and a lack of light.

Table 12. The representation of income groups in different types of accommodation among native households and households with foreign nationals (Statistics Finland 2010c).

WHOLE COUNTRY							
Native households	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	880 117	726 066	366 314	339 171	705 485		2 403 059
1st and 2nd	17,1	20,5	32,4	25,6	4,4	100	476 668
3rd	25,5	30,5	20,9	18,9	4,2	100	240 011
4th	28,0	31,8	18,5	17,6	4,1	100	241 160
5th	31,2	34,4	15,1	15,3	4,0	100	241 063
6th	37,7	34,0	11,9	12,5	3,9	100	240 124
7th	45,4	32,2	9,2	9,6	3,6	100	240 062
8th	52,1	30,8	6,7	7,0	3,4	100	240 999
9th	56,4	31,1	4,0	5,3	3,2	100	241 711
10th	55,2	36,1	1,6	4,3	2,8	100	241 261
Households with foreign nationals							
Households with foreign nationals	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	13 045	16 132	29 244	16 888	3 933		79 242
1st and 2nd	5,0	5,7	57,8	26,6	5,0	100	19 820
3rd	9,1	10,5	50,5	25,1	4,9	100	8 207
4th	12,0	14,6	43,2	24,9	5,3	100	7 067
5th	14,6	18,1	38,3	23,6	5,5	100	7 173
6th	18,5	22,2	33,5	20,7	5,1	100	8 102
7th	22,6	28,0	26,8	17,5	5,1	100	8 159
8th	25,6	32,6	20,7	16,1	5,0	100	7 234
9th	29,0	36,9	14,9	14,5	4,7	100	6 513
10th	33,5	42,5	7,0	13,0	4,1	100	6 967
THE METROPOLITAN AREA							
Native households	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	36 934	216 398	94 513	87 381	9 743		457 842
1st and 2nd	2,0	23,7	30,3	39,3	3,2	100	69 530
3rd	3,2	38,2	24,3	29,9	2,5	100	41 318
4th	3,6	37,3	25,3	28,9	2,1	100	43 948
5th	4,3	42,6	23,3	24,6	2,0	100	46 344
6th	5,6	48,0	20,6	20,3	1,9	100	47 223
7th	7,5	51,8	17,6	17,9	1,8	100	43 623
8th	9,6	55,2	14,1	15,4	1,8	100	42 209
9th	13,1	60,3	11,4	9,6	1,7	100	48 419
10th	19,1	66,8	7,3	2,9	1,9	100	75 228
Households with foreign nationals							
Households with foreign nationals	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	1 152	8 357	13 822	8 108	1 147		33 280
1st and 2nd	0,8	7,0	58,2	28,7	4,4	100	7 520
3rd	1,0	10,2	56,7	27,4	4,0	100	3 229
4th	1,1	14,7	49,7	29,3	3,6	100	2 841
5th	1,2	17,6	47,3	27,7	4,0	100	2 868
6th	2,2	22,1	45,6	24,8	3,3	100	3 366
7th	3,4	31,0	37,6	21,8	2,8	100	3 422
8th	4,0	38,6	30,4	20,8	2,6	100	3 180
9th	6,1	45,7	22,8	19,3	2,5	100	3 072
10th	12,9	56,6	9,3	16,1	2,8	100	3 782

Table 13. Occupant densities, 1950-2008 (Statistics Finland).

Year	Persons per 100 rooms	Floor area per dwelling, m ²	Floor area per person	Number of 1 – 2	rooms 3 – 4	5 +
1950	152	..	..	57.3	33.2	9.4
1960	131	51.0	14.3	48.6	41.8	9.6
1970	103	60.0	18.9	37.2	45.8	16.5
1980	78	69.0	26.3	29.8	46.6	23.1
1990	67	74.4	31.4	25.0	46.2	28.1
2000	60	76.5	35.3	24.5	45.0	29.5
2002	58	77.0	36.3	24.5	44.6	29.9
2003	58	77.3	36.7	24.4	44.5	30.1
2004	57	77.6	37.1	24.4	44.3	30.3
2005	57	78.1	37.5	24.1	44.2	30.6
2006	57	78.4	38.0	24.0	44.0	30.9
2007	56	78.8	38.3	23.9	43.8	31.2
2008	55	79.1	38.6	23.8	43.7	31.4

Table 14. Severe housing deprivation by tenure status (Eurostat 2010).

	Owner occupied, no mortgage or housing loan	Owner occupied, with mortgage or housing loan	Private rental	Social housing
2004	0.5	0.7	2.2	1.4
2005	0.7	0.1	2.9	2.3
2006	0.3	0.3	2.2	2.3
2007	0.5	0.3	1.9	1.6
2008	0.2	0.4	1.9	1.4
EU15	1.2	2.4	8.2	7.4
EU27	1.8	8.9	9.2	12.2

Table 15. Dwellings by amenities in 1960-2008 (Statistics Finland).

	1960	1970	1980	1990	2000	2008
Dwellings total	100	100	100	100	100	100
Sewer	52	74	90	97	99	98
Piped water	47	72	89	95	98	98
Flush toilet	35	61	84	93	95	97
Warm water	23	52	80	90	96	97
Bathing facilities	16	39	68	88	99	99
Central heating	31	56	80	89	92	93
Sauna	..	..	30	42	48	53

ic growth centres, and targeted mostly at groups in special need. The policy emphasis has shifted to questions related to climate change and the aim to create and maintain socially, economically and environmentally sustainable residential areas. The growing need to increase housing production in urban areas, to promote the energy-efficient and socio-economically sustainable renovation of the housing stock in the suburbs and to prevent further urban sprawl has been a topic for lively discussion in the 2000s.

According to current government policy, *“The aims of the housing policy are to ensure a socially and regionally balanced and stable housing market, to eliminate homelessness and to increase the supply of moderately priced land for construction”* (Ministry of the Environment 2010). The programme for tackling long-term homelessness in 2008–2011 has been very successful. The concrete and quantitative target to build 1,250 new homes for the long-term homeless has been met and even exceeded – approximately 1,600 new homes are expected to be available by the end of 2011.

In 2007, the Government launched a new policy covering the development of the Helsinki metropolitan area. The major plans include increasing housing production, enhancing the international competitiveness of the Helsinki region, and coordinating a coherent immigration policy. This is the first time that immigration issues have been discussed in conjunction with the wider questions of housing and urban development on the national level. Unlike the other Nordic countries, Finland has, until recently, lacked a national “Big City” policy.

3. Immigration flows, policies and practices in Finland

Hanna Dhalmann & Saara Yousofi

3.1. The development of immigration

3.1.1. A country of emigration until the 1980s

Due to its late industrialisation and relatively strict migration policy after the Second World War, Finland has not experienced major immigration flows. Changes in the political climate and the labour-market situation in recent decades have resulted in increasing foreign migration, but the proportion of residents born outside of Finland, at just 4.4 per cent in 2009, is still considerably lower than in the other Nordic countries.

Finland’s immigration history has been affected, first of all, by its geopolitical position between the East and the West (Paananen 1999; Forsander et al. 2004). There were relatively many foreign residents during the first decades after independence in 1917, most of whom came from Russia/ the Soviet Union and other nearby countries such as Sweden and Germany (Lepola 2000: 40). However, the number of foreigners started to decline after World War II. Finland also protected itself actively from new foreign migration. In particular, the refugee policy was viewed as a sensitive foreign-policy issue that was part of the power struggle between the East and the West, and it was therefore better not to get involved (ibid: 44–45).

Another reason for the low level of immigration flow was the constant over-supply of domestic labour, which was attributable to high labour-force participation among women, large age groups after the Second World War, and economic restructuring from agriculture to industry and services. Finland lost a substantial part of its territory to the Soviet Union as a result of the

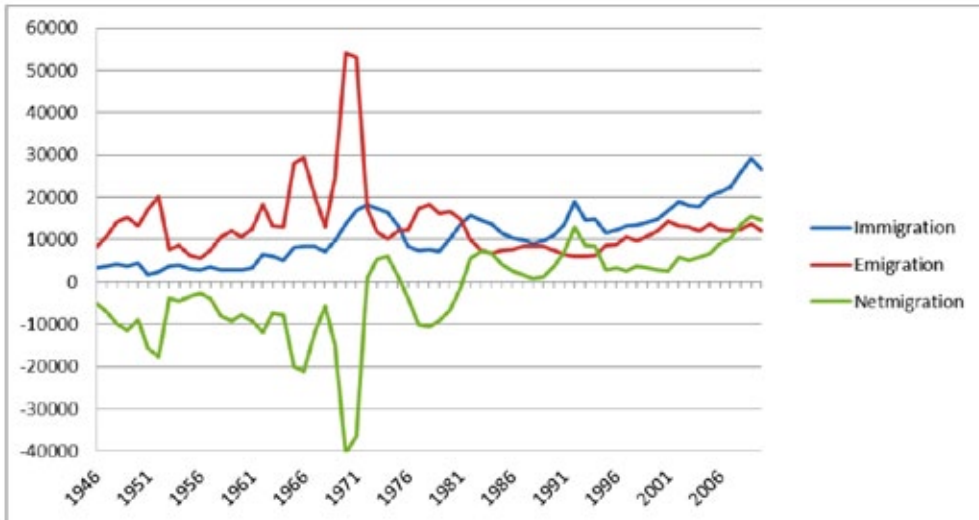


Figure 10. The migration balance (Statistics Finland 2010c).

war, and needed to resettle nearly 10 per cent of its population. These evacuees were given agricultural land, which resulted in small farm sizes and threatened the livelihood of people living in the countryside. Mechanisation in the agriculture and forestry industries in the 1950s and 1960s further decreased the demand for labour in these sectors, leaving a large proportion of the population to seek a living elsewhere.

The above-mentioned developments contributed to the mass emigration of tens of thousands of people. This labour migration, mostly to Sweden, was facilitated by The Common Nordic Labour Market Act signed in 1954. On average, almost 21,000 people a year emigrated in 1960-1979. The most intensive period was 1969 and 1970, when more than 53,000 people left, resulting in net population loss of around 40,000 (Figure 10).

Even in the 1970s, out-migration from Finland followed the employment trend in Sweden. Many migrants returned after a couple of years and immigration to Finland consisted mainly of these Finnish returnees. In fact, there were more immigrants from the Nordic countries than from the rest of the world. The focus of the Finn-

ish migration policy was therefore on reducing emigration and attracting Finnish returnees. Finland received its first refugees in the 1970s when around 200 people from Chile and 100 people from Vietnam were allowed into the country for humanitarian reasons at the request of UNHCR.

3.1.2. Changing migration flows - from emigration to immigration

The direction of migration changed in the 1980s when Finland started to receive more immigrants than it lost through emigration (see Figure 10). An average 12,000 people a year came into the country, but it should be noted that most of these were still Finnish returnees from Sweden. Remigration and marriage to a Finnish citizen were the main reasons for moving to Finland (Forsander 2002). Humanitarian immigration from South-East Asia continued, and in 1986 the Finnish Parliament set a quota limiting the number of refugees Finland would commit to receiving annually to 100, although this was raised to 500 per year in 1989. Refugees were also admitted through an asylum procedure, but the number of applicants was rather insignificant (Mykkänen 1998).

The proportion of immigrants in the total

population was still low in the mid-1980s, at only one per cent. Changes in the migration policy, mostly resulting from the changes in the political climate and the labour-market situation, led to rapid growth in foreign immigration in the 1990s. The biggest changes compared to the situation in the 1980s were in the structure of the immigration. In other words, the flow from the Nordic countries slowed down whereas there was a substantial increase in numbers from Africa, Western Asian and, in particular, Eastern Europe (Figure 11).

The disintegration of the Soviet Union had a big impact on Finnish foreign and migration policy (see Lepola 2000: 46). It meant opening the eastern border to immigration and establishing more active relations with other European countries. There were also signs of a labour shortage in the biggest Finnish cities at the end of the 1980s, which further boosted the demand for a more liberal migration policy. Finland's accession to the Council of Europe (1989), the European agreement on human rights (1990) and membership of the European Union (1995) all affected Finnish legislation concerning immigrants.

One notable alteration to the migration policy concerned the remigration of Ingrian Finns. In 1990, President Koivisto issued a statement granting returnee status to ethnic Finns living in

the Soviet Union. This mainly concerned Ingrian Finns whose ancestors had moved to 'Ingermanland', a region in North-West Russia, in the 17th century. They were thus acknowledged as ethnic Finns, but were not descendants of Finnish citizens. Nevalainen (1991: 297) assigns labour-force related motives to the changes in official opinions concerning the remigration of Ingrian Finns. He mentions the pressure to liberate Finnish migration policy, glasnost in the Soviet Union and the topicality of "the Ingrian issue" as reasons affecting the decision.

Ingrian Finns were regarded as normal returnees at first, not subject to any special legislation, but a law was introduced in 1996 setting out more detailed criteria (Laki ulkomaalaislain... 511/1996): at least two of the returnee's grandparents had to be ethnic Finns. Against all expectations, the returnees' knowledge of the Finnish society, culture and language was often inadequate. In order to promote integration and to facilitate their reception in municipalities, since 2003 Ingrian Finns have been required to complete a re-entry orientation programme prior to their arrival in Finland, and to have proficiency in Finnish or Swedish equal to the A2 level (basic ability) of the European Council's Common European Framework. They must also have pre-arranged accommodation in Finland.

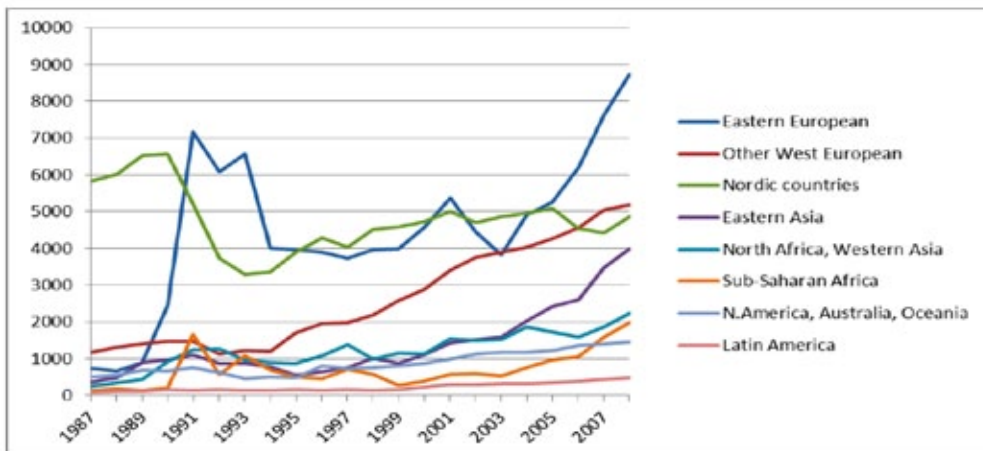


Figure 11. Immigration to Finland in 1987-2008, volumes by regions of origin (Statistics Finland).

Returnees from the former Soviet Union, Russia and Estonia formed a significant proportion of the ‘supply-driven’ immigration in the recent flow (see Figure 11), and by 2004 Finland had received approximately 25,000 Ingrian returnees (Tanner 2004: 3). Remigration among ethnic Finns has thus created a sizable Russo-phone minority in the country. Applications for residence on the grounds of Ingrian returnee status are no longer accepted, but outstanding applications are processed according to the old law.

The first group of asylum seekers arrived in Finland from Somalia in 1990 followed by groups from other countries: there were 18,292 applications for asylum between 1990 and 1999. By far the biggest groups came from the former Yugoslavia, Somalia and the former Soviet Union, and some hundreds came from Iraq, Turkey and Iran. The annual refugee quota was raised from 500 to 650 at the end of the decade.

Even if the immigrant population grew notably in the 1990s, it remained considerably smaller than in the other Nordic countries. For example, around 14,700 people obtained a residence permit through Finnish refugee and asylum procedures or related family reunification in 1987–1997, compared to 37,300 in Norway, 61,700 in Denmark and 200,800 in Sweden (Lepola 2000: 49). It should also be noted that the first policy definition and long-term political White Paper on immigration and refugee policy were published as late as in 1997 (Hallittu maahanmuutto... 1997: 93; see also Leitzinger 2008).

3.1.3. A continuing increase in immigration

The number of immigrants has continued to grow significantly in the 2000s. The annual number of arrivals is almost 22,000 with net migration rising to 15,000 in both 2008 and 2009. The proportion of immigrants in the population therefore doubled from 1.3 per cent at the beginning of the 1990s to 2.6 per cent in 2000, and 4.4 per cent in 2009. The bulk of them settled in the Helsinki region and other major urban areas, where the proportion was higher than the national average: in Helsinki, for instance, the share of foreign citizens in 2009 was 6.7 per cent.

There were also some changes in the structure of immigration in the 2000s. There has been little labour migration to Finland compared with many other western industrial countries. The recruitment of foreign labour started on a small scale during the 1980s, but stopped on account of the deep recession of the 1990s (Forsander and Ekholm 2001: 112–113). It started again at the beginning of the 2000s when ICT-driven economic growth and the ageing population structure resulted in labour shortages in certain trades (e.g., ICT, construction and health care). This also shifted the orientation of the migration policy towards attracting foreign labour. For the first time the labour-market goals in the Immigration Policy Programme that became effective in October 2006 were consonant with views supporting migration for humanitarian reasons. Foreign students were also considered potential

Table 16. Granted residence permits by category in 2006–2009 (Maahanmuuttoviraston... 2010).

	Employed persons	Self-employed persons	Of Finnish origin	Students	Other grounds	Family tie	Family to Finnish citizens	Total
2006	2 872	58	368	3 196	2 186	3 495	621	12 787
2007	5 280	68	374	3 810	2 710	4 321	708	17 287
2008	5 930	67	395	4 496	2 934	5 069	715	19 606
2009	2 883	57	474	3 993	2 497	4 574	730	15 208

members of the labour force. In line with the new immigration policy, labour migration to Finland started to grow in 2007–2008, but the volumes decreased again in 2009 due to the economic recession (Table 16).

Despite the changes in political attitudes towards encouraging labour migration, it is still highly regulated. Foreigners who are not EU citizens or the equivalent and intend to take up paid employment in Finland need a residence permit for an employed person. They have to apply for and receive the permit abroad. Eligibility for such permits is assessed in accordance with the need for foreign labour for the work in question. If it is a field in which there is domestic unemployment it might be rejected. This consideration of labour availability in the domestic market does not apply to upper or middle managers, various experts or seasonal workers, for example. The assessment also covers the adequacy of the working conditions, whether the potential employer is authorised to employ people, and the adequacy of the foreigner's livelihood, especially in the case of part-time work. The Finnish work-permit procedure has recently been the subject of political debate, viewed in some quarters as complicated and obscure (Government migration... 2006), and in others such as the trade unions, as necessary.

The amount of humanitarian immigration also increased slightly in the 2000s. The annual refugee quota was raised to 750 in 2001, but was not filled every year. The number of asylum seekers grew from a yearly average of 1,800 in the 1990s to almost 3,300 in the 2000s. However, there has been a decrease in the proportion of positive decisions (from 36 per cent to 22 per cent) (Finnish Immigration Service 2010). In general, Finland has tried to weaken its attraction as a destination country in order to minimise groundless applications. One motivating factor in this was the notion that asylum seekers receive more finan-

cial support in Finland than in the other Nordic countries (see Näkökulmia... 2009: 28).

All in all, the number of granted asylums has been very small in Finland, only 508 during 1990–2009 although over 13,000 have been given a residence permit on protection and several other grounds. The main countries of origin of these people are Afghanistan, Iraq and Somalia: those granted asylum, and their reunified family members, 28 per cent originate from North Africa and West Asia, 28 per cent from Sub-Saharan Africa, 22 per cent from Eastern Europe, and 20 per cent from other Asian countries.

Family formation continues to be a significant factor in attracting foreigners to Finland in the 2000s, as it has been throughout Finland's immigration history. Between 25 and 33 per cent of immigrants arriving during the 1990s were married to a Finn by the end of their first year. This applied especially to those coming from OECD countries (47 per cent of the men and 32 per cent of the women), and only to a minor extent to those from Finland's neighbouring countries (five per cent) and third-world countries (five per cent of the men and one per cent of the women) (Hämäläinen et al. 2005). The annual number of marriages between Finnish and non-Finnish citizens remained constant during the 1990s and 2000s: between 1,200 and 1,400 Finnish women and 1,300–1,600 Finnish men married a foreign partner. Nevertheless, only about 700 new residence permits were granted each year as a result of these multicultural marriages (Statistics Finland 2010).

3.2. Features of the immigrant population

3.2.1. Countries of origin

The notable growth in immigration to Finland has resulted in some changes in the structure of the immigrant population. There has been a slight increase in numbers from the other Nordic countries, but in relative terms there was a sharp decline from 45 per cent in 1990 to only 15 per cent in 2009 (Figure 12). The biggest relative growth was in immigration from other European countries, from 33 to 50 per cent, and the proportion of non-European immigrants increased from 22 to 35 per cent.

The highest proportion of immigrants comes from Sweden, Russia, Estonia and the former Soviet Union (Figure 11, Table 17). This has been the case since 1992 when they comprised 60 per cent of all arriving immigrants, although this has fallen to 35 per cent in recent years.

There has been less of an immigration flow

from Germany, Norway, the USA, Great Britain and Spain, and the further away the country, the smaller is the stream (e.g., China, Thailand and Somalia). The net migration figures are somewhat different, however. Most permanent foreign residents come from Russia, Turkey and Somalia, whereas most of those from other countries are passing through. For example, since Finland joined the EU, remarkably large numbers of West Europeans have come and gone making Finland a net loser in terms of population flow (Table 17). The differences in the length of stay are mostly attributable to the differing reasons for moving to the country.

Parental country of birth is not included in the official statistics. Information covering the whole population of foreign origin, including the descendants of immigrants, is thus currently best obtained from statistics on the foreign-language-speaking population. These statistics do not include Swedish speakers, however, as Swedish is the second official language of Finland. The biggest foreign-language-speaking groups are

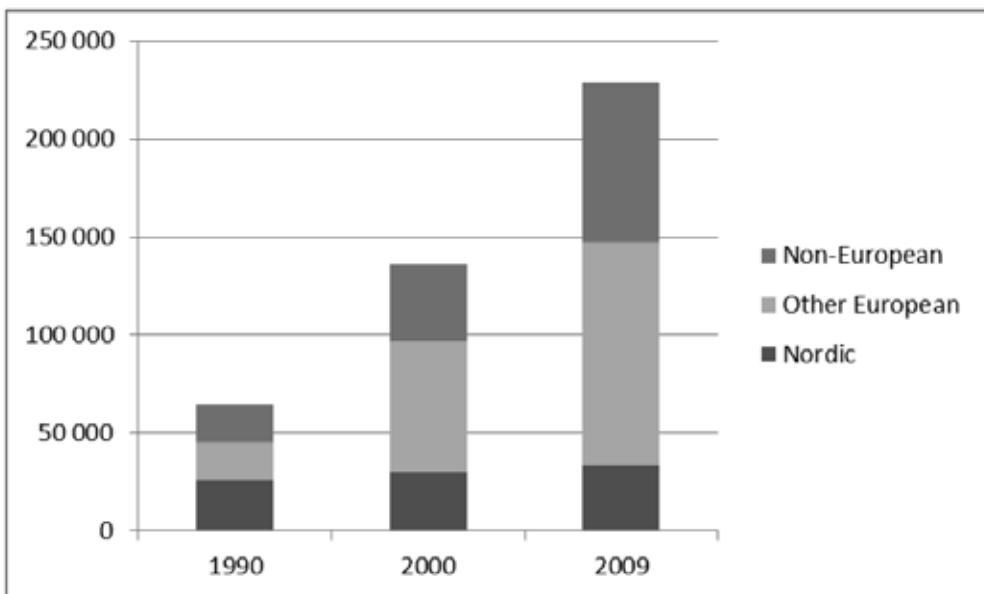


Figure 12. The geographical composition of Finnish residents born abroad, 1990-2010 (Statistics Finland).

Table 17. Received immigrants and net migration during 1987-2009 from the main countries of origin (Statistics Finland 2010)

Top 20 immigration countries		Top 20 net migration countries	
Sweden	87710	Russia	36194
Russia	40362	Estonia	25928
Estonia	34140	form. Soviet Union	8725
Germany	14293	Sweden	7564
USA	13762	Turkey	7047
Norway	13731	Thailand	6920
Britain	13468	China	5765
form. Soviet Union	9557	Somalia	4731
Spain	8568	Iraq	3857
China	8421	India	3397
Thailand	8034	Ethiopia	2837
Turkey	7785	Vietnam	2664
Denmark	7161	form. Serbia, Montenegro	2563
Somalia	5479	Iran	2528
France	5055	form. Yugoslavia	2258
India	4556	Ukraine	2195
Iraq	4011	Poland	1833
Italy	3851	Bosnia and Hertsegovina	1787
Holland	3586	Pakistan	1693
Canada	3180	Philippines	1506

Russians (51,683) and Estonians (25,096), followed by English and Somali speakers (about 12,000). A comparison of the immigrant and the foreign-language-speaking populations shows that in 2009 there were at least 26,000 people who were born in Finland but had a non-native mother tongue (Table 18). However, these figures include children with at least one native Finnish parent who are registered as having a language other than Finnish as their mother tongue, as registration is based solely on parental declaration. The registration of language matters mostly when the child starts school because the law guarantees the right to learn one's mother tongue.

3.2.2. Demographic features

The age structure of immigrants differs from that of native Finns. Around 17 per cent of residents born in Finland are over 65 years of age, the pro-

portion dropping to five per cent among those born abroad, and only one per cent among groups from Asia and Africa. The proportion of working-age people is 19 per cent higher among immigrants than among the Finns, and there are big differences in age structures among the immigrant groups (Figure 13).

In terms of gender, the structures of the immigrant and the Finnish population are quite similar. However, in contrast to Sweden and in line with the common gender composition among international immigrants, there are slightly more male than female foreign citizens living in Finland. One reason for the difference is that the immigrant population is small in number, and the reasons for immigration are country-specific and partly related to gender. There are more males among the immigrants from Western Europe (70 per cent), North America and Oceania (64 per cent), as well as from North Africa and

Table 18. Population composition in Finland in 2009

Country of birth, total	5 351 427	Languages, total	5 351 427
Finland	5 118 244	Finnish	4 852 209
Foreign country total	233 183	Swedish	290 392
		Foreign languages total	207 037
The groups with more than 4000		The groups with more than 4000	
Former Soviet Union	47 307	Russian	51 683
Sweden	30 966	Estonian	25 096
Estonia	21 761	English	12 063
Russian Federation	7 339	Somali	11 681
Somalia	7 110	Arabic	9 682
China	6 591	Kurdish	7 135
Iraq	6 180	Chinese	7 078
Thailand	6 108	Albanian	6 736
Former Yugoslavia	6 074	Vietnamese	5 313
Germany	5 770	German	5 276
Turkey	4 890	Thai	5 143
United Kingdom	4 367	Turkish	5 068
Viet Nam	4 251	Persian	4 548
		Spanish	4 252

Western Asia (63 per cent). However, females dominate in the main immigrant groups: 59 per cent of Russians and 53 per cent of Estonians, thereby stabilising the aforementioned bias. Of the female immigrant groups, Russians (16,617) and Estonians (13,443) remain the biggest but Thais (3,895) stand out in third place. The highest proportion of foreign women marrying Finnish men come from these groups.

3.2.3. Socioeconomic features

At the end of the 1980s, the socioeconomic position of immigrants was, on average, better than that of native Finns: they were relatively more likely to work as officials, entrepreneurs or experts. Moreover, the first refugees found employment relatively easily: 93 per cent of the adult refugees admitted in 1979-1986 were employed after the integration training.

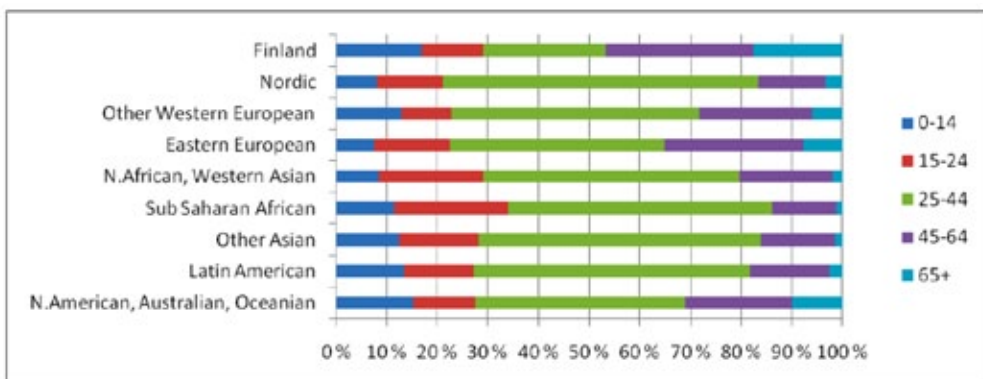


Figure 13. The age distribution of immigrants by region of origin in 2009 (Statistics Finland 2010c).

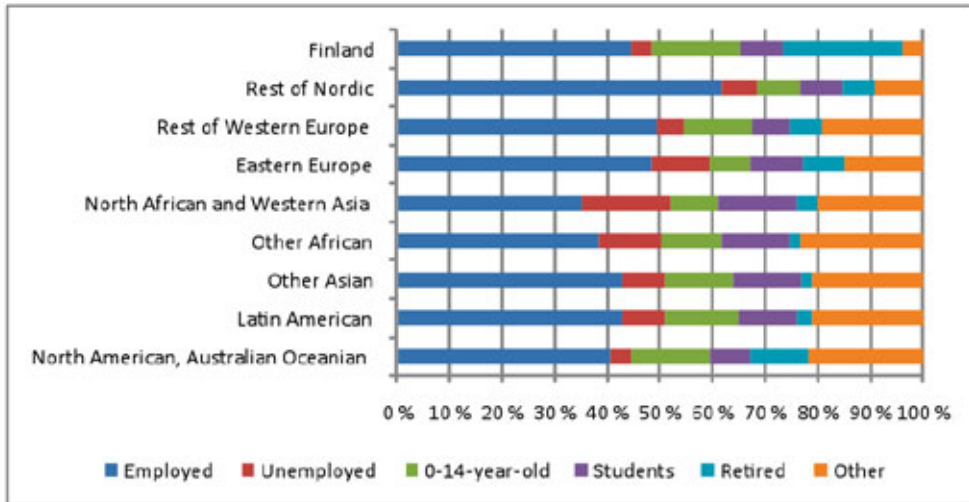


Figure 14. The main types of activity by country group in 2008 (Statistics Finland 2010c).

The situation changed in the 1990s with the increase in immigration and the coincident economic recession and mass unemployment (Forsander 2001: 60-61). Relatively unstable jobs replaced the more stable ones, and immigrants were at the forefront of this development (Forsander 2002: 140-144). As a result, the employment situation declined quickly among both established and more recent immigrants. The unemployment rate among foreign nationals rose to three times as high as the overall rate (Salmenhaara 2008: 15). The situation has improved somewhat in recent years (around 18 per cent in 2008) on account of the economic recovery, but the unemployment rate is still more than double that of native Finns (around 8 per cent in 2008).

In addition to having a higher unemployment rate, immigrants are more likely than native Finns to work in jobs that do not correspond to their educational level, and in low-wage sectors such as cleaning, transportation and catering. Their labour-market position is also often volatile: fixed-term contracts, part-time jobs and discontinuous careers are common, particularly among women (Forsander et al. 2004). Immigrants are also more likely to be outside of the

labour force: 60 per cent of those of working-age had jobs in 2008, the relative per centage among native Finns being 75 (Figure 14; Table 19).

There is an ethnic hierarchy in the labour market. People born in Nordic and other Western countries are the most successful, whereas those moving to Finland mainly for humanitarian reasons have the highest unemployment rates. In addition, the employment rate, in other words, the proportion of those of working age in employment, is highest among immigrants from Nordic (71 per cent) and Western European (61 per cent) countries, and lowest among those from Africa and Western Asia (slightly over 40 per cent). The generally improved economic situation in the 2000s had a positive effect on the employment situation among all immigrant groups. Eastern Europeans and Sub Saharan Africans faced the biggest change with a 20-percentage-unit reduction in unemployment (Table 19).

Even if immigrant entrepreneurship is low in Finland in international terms, it is on a higher level (16 per cent) than among natives (10 per cent). Immigrant entrepreneurs are typically in the wholesale trade, professional services or the food and restaurant business. The higher levels

Table 19. The main types of activity in 1999 and 2008 (Statistics Finland 2010c).

Country of birth	Years	0-14-year-olds (%)	Students (%)	Retired (%)	(N)	Employment rate (%)	Unemployment rate (%)
Total	1999	19	8	21	4 979 723	66.7	17.9
	2008	17	8	22	5 326 314	73.8	8.2
Finland	1999	19	8	22	4 851 852	69.5	14.6
	2008	17	8	23	5 107 688	75.0	8.2
Rest of Nordic	1999	15	19	4	28 867	54.3	18.5
	2008	8	8	6	33 040	70.9	10.3
Rest of Western European	1999	13	9	6	11 192	55.6	13.5
	2008	13	7	6	19 049	60.5	9.3
Eastern European	1999	15	11	8	48 577	35.1	41.3
	2008	8	10	8	88 356	58.3	18.3
North African and Western Asian	1999	18	12	2	11 152	31.3	47.9
	2008	9	15	4	23 535	40.2	32.7
Sub-Saharan African	1999	20	13	1	7 073	26.6	46.2
	2008	11	13	2	14 389	43.7	24
Other Asian	1999	15	10	2	10 269	39.8	28.3
	2008	13	13	2	25 360	50.6	15.7
Latin American	1999	21	10	3	1 909	39.5	25.0
	2008	14	11	3	4 163	51.8	15.7
North American, Australian, Oceanian	1999	13	7	19	4 796	48.5	10.8
	2008	15	8	11	6 226	55.4	8.9
Unknown	1999	7	4	43	4 036	66.0	17.5
	2008	21	4	26	4 508	71.7	9.5

Table 20. Work-income deciles in 2005 and 2008: per centages of people by national decile groups (Statistics Finland 2010c).

Country group	Year	Income deciles									Total (N)
		1+2	3	4	5	6	7	8	9	10	
Total	2005	20	10	10	10	10	10	10	10	10	2685582
	2008	20	10	10	10	10	10	10	10	10	2793940
Finland	2005	20	10	10	10	10	10	10	10	10	2637580
	2008	20	10	10	10	10	10	10	10	10	2725099
Nordic countries	2005	19	12	12	10	9	9	9	8	11	4672
	2008	18	11	12	10	9	10	11	9	10	4905
Other Western European	2005	18	12	11	9	7	7	8	10	20	6565
	2008	18	11	11	8	8	7	8	11	20	8194
Eastern European	2005	26	15	17	13	8	7	6	4	4	22734
	2008	21	15	19	14	9	8	7	5	4	33330
North Africa, Western Asia	2005	48	17	14	7	4	3	3	2	2	3614
	2008	41	18	17	8	5	4	3	2	2	5415
Sub Saharan Africa	2005	42	20	17	8	5	4	3	2	1	2773
	2008	35	19	20	10	6	3	3	2	1	4757
Rest of Asia	2005	30	17	16	10	5	4	4	4	9	4954
	2008	29	17	19	10	5	4	5	5	6	8756
Latin America	2005	35	18	14	8	7	4	3	4	7	757
	2008	31	17	16	9	6	5	5	5	7	1189
North America, Australia, Oceania	2005	21	11	12	8	6	6	7	11	18	1457
	2008	21	12	11	8	6	6	7	10	19	1641

of entrepreneurship are attributed to the employment difficulties on the open labour market innovativeness, and the willingness among immigrants to take risks (Maahanmuuttajayrittäjyys... 2007: 22-25).

The relatively weak employment situation of immigrants naturally affects their economic well-being. Approximately half of immigrant families with children were on a low income in 2005, compared with 20 per cent among native Finns (Hämäläinen et al. 2005; Lapsi- ja... 2007). The prevalence of single parenthood and large families also increases the poverty risk among certain immigrant groups. For example, single motherhood is significantly more common among Somali (43 per cent), Vietnamese (40 per cent) and Russian (27 per cent) women than among native Finns (17 per cent) (Martikainen 2007).

Immigrants with a refugee background have significantly lower incomes than both the native population and immigrants from Nordic and Western European countries (Table 20). This concentration in the lowest income groups is also evident in the statistics on social assistance: around 10 per cent of Estonians, 21 per cent of Russians, and 38 per cent of the immigrants with a refugee background were in receipt of it in 2000, compared with only four per cent of the overall population (Hämäläinen et al. 2005; Paananen 2005).

4. Integration policies and legislation in Finland

Katja Vilkama & Saara Yousfi

4.1. Integration policy

The Finnish integration policy was developed to provide national guidelines for the local procedures supporting the integration of the increasing immigrant population. The drafting of the policy was in line with Finland's responsibilities as a new EU member state since 1995. The Integration Act (Act on the Integration... 493/1999) came into force on 1 May 1999, and has been modified several times in the past ten years. Prior to 1999, Finland had no official, national integration scheme and immigrants were dealt with according to existing legislation.

The Finnish Integration Act defines integration as "*the personal development of immigrants, aimed at participation in working life and society while preserving their own language and culture*", and as including "*the measures taken and resources and services provided by the authorities to promote and support such integration, and consideration for the needs of immigrants in planning and providing other public services and measures*" (Amendment 1215/2005).¹³

The Finnish integration policy could be characterised as pluralistic. However, it has also been criticised for its implicit assimilative goals (see e.g. Kerkkänen 2008). The main responsibility for adaptation is placed on the immigrants. The authorities have a duty to pursue the realisation of equal opportunities and to promote ethnic equality in their work, but there is much less focus on the adaptive role and responsibilities of the majority population in the processes of structural,

¹³ This dual scope of integration (responsibilities and the acculturation of immigrants, and the responsibilities and procedures provided by the authorities) is differentiated in the original Finnish version.

cultural and social integration.

The Integration Act defines the duties and responsibilities of different actors, and the practical implementation takes place at national, local and personal levels. The state lays down the overall guidelines and provides financial resources for the implementation of the policy. Municipalities are requested to draft their own local integration programmes, specifying the action plan and the goals on the local level. The integration plans of individuals and families are the key tool on the personal level. All immigrants who are registered in a Finnish municipality, have been in the country for less than three years and are not gainfully employed have the right to an individual integration plan for three years (since 2006, for five years in special cases). In practice, refugees, approved asylum seekers and Ingrian returnees have been the three main target groups.

The local immigrant offices draw up the personal integration plans in cooperation with the individuals concerned, the local social office and the local employment office. The plans usually include information on Finnish society, and give guidance on how professional or degree qualifications obtained abroad can be updated to meet the requirements of the Finnish labour market. Different types of job training and language instruction form the key elements in updating existing skills and qualifications and facilitating entry into Finnish working life. In special cases the integration plan also include instruction in reading and writing, or independent studies for a comprehensive-school or upper-secondary-school diploma or a professional qualification. Obtaining employment and achieving financial independence from the state - through various kinds of courses and training - are the main aims of the integration policy. The Integration Act is less explicit in other domains such as housing and culture (Government Report 2002: 43). Local programmes take a more diverse approach,

however, including both employment-related measures and the provision of other services.

The integration of children usually happens through normal school activities and day care. However, the municipalities are obliged to organise special tuition for immigrant children to prepare them for the basic education, and to provide instruction in their own native language and religion if their parents so request. Immigrants have also been given preparatory training for basic vocational education since 1999, the aim being to give students the linguistic, cultural and other skills required in the transition to vocational education.

According to the Integration Act, integration procedures should start as soon as possible after the immigrant has arrived in Finland, ideally within two-to-three months. This is very difficult to comply with in practice, however, and there is often another long wait for language courses.

4.2. Settlement and spatial dispersal policies

Whereas the national integration policy emphasises the pluralistic goals of maintaining immigrants' and ethnic minorities' own languages and cultural traits, the settlement policies are more assimilative in nature. Immigrants are free to choose their place of residence, but the state and many municipalities are quite explicit in wishing to avoid ethnic residential segregation and to promote spatial assimilation.¹⁴ The government advises the municipalities on the desired policy goals and sets the legal framework, but the municipalities independently decide on policy implementation.

The government drafted a framework policy on immigration and refugee reception in 1997 advising the municipalities to prevent residential segregation. The municipal authorities

¹⁴ However, in most cases there is very little explicit reasoning on why dispersal is a major target.

were asked to ensure that the allocation of social housing would not lead to overly dense, or very small residential concentrations of immigrants, and that all neighbourhoods would maintain a socially and ethnically mixed population structure (Valtioneuvoston periaatepäätös...1997: 20). The same featured in the 2006 Immigration Policy Programme (Government Migration policy... 2006: 28).

All the major cities have incorporated the national guidelines on spatial dispersal into their local integration programmes, although the municipalities differ in their approach to how vigorously the goal is pursued. The spatial dispersal of immigrants is realised through municipal housing policies and urban planning. The allocation of social and public housing is the strongest direct measure influencing immigrant residential patterns, whereas town planning and zoning, in other words, land-use allocation and other housing-policy measures (see Chapter 2), are more indirect.

Refugees and asylum seekers are the two groups most strongly targeted by the state and the municipalities with regard to their accommodation.¹⁵ Other immigrant groups fall within the scope of spatial-dispersal policies in a more indirect way.

The state provides accommodation for asylum seekers at refugee reception centres (dispersed around the country) until their application is processed.¹⁶ Those who are granted a residence permit are directed to a specific municipality and entitled to integration measures. The Finnish policy since 1988 has been to disperse refugees throughout the country. It was a measure

that was introduced as a solution to the growing problem of finding suitable housing in the Helsinki metropolitan area and Turku (the major receiving cities) (Pakolaisten kuntiin...1988; Kokkarinen 1993). The numbers of refugees remained small in the 1970s and 1980s, and there was no need to settle them outside of the biggest cities until then. The aim of the dispersal policy was to make refugee reception services an integral part of the mainstream social services in the municipalities. It was also emphasised that municipalities receiving refugees should be able to provide adequate services to support integration, including opportunities for education and work. However, the sudden increase in the numbers of refugees and asylum seekers created a need to open up the policy and to include all Finnish municipalities. As a result, some refugees have been settled in small rural municipalities with few job opportunities and inadequate integration measures. Some researchers claim that the wider objectives of the regional policy have influenced the decision to disperse refugees and refugee reception centres throughout the country (Ahlberg-Leinvuo 2005). The Finnish dispersal policy is akin to the Swedish “Whole of Sweden” policy, which influenced its design in the first place (Kokkarinen 1993: 35). However, the Swedish policy was relaxed in July 1994, having failed to deliver the desired outcomes.

4.3. Citizenship and naturalisation

Finnish citizenship can be acquired at birth by descendants of Finnish citizens (*jus sanguinis*) and, under certain circumstances, through being born in Finland, regardless of parental nationality (*jus soli*). It is also possible to apply for citizenship through naturalisation based on residence in Finland (*jus domicilii*).

In the case of naturalisation, the applicant must provide reliable proof of identity and meet

15 Ingrian Finns used to be included in the groups receiving special treatment, but since 2003 proof of accommodation has been a prerequisite for receiving a residential permit.

16 Asylum seekers are free to find other accommodation outside the reception centre if they wish, but in that case (starting 2010) they do not receive help with their living expenses.

the following six general requirements, namely that he or she:

- has reached the age of 18 or was married before doing so,
- has been permanently resident and domiciled in Finland for the last six years without interruption, or for eight years after reaching the age of 15, the last two years without interruption,
- has not committed any punishable act nor had a restraining order issued against him or her (integrity requirement),
- has not materially failed to provide maintenance or to meet pecuniary obligations under public law,
- can provide a reliable account of his or her livelihood,
- has satisfactory oral and written skills in the Finnish or Swedish language, or instead of oral skills similar skills in the Finnish sign language.

The Nationality Act (359/2003) contains cer-

tain provisions granting exceptions to these requirements. Such exceptions are frequently applied: in January 2008, exception to the residence, language or integrity requirement was granted in over 35 per cent of the cases, most frequently to the integrity requirement. On the other hand, even if someone meets all the requirements, naturalisation will be refused if it conflicts with the best interests of the Finnish State.

The 2003 Nationality Act allows dual or multiple nationality. However, someone with dual nationality may lose Finnish citizenship at the age of 22 if he or she lacks sufficiently close ties to Finland. The number of applications for Finnish citizenship increased sharply when the new Nationality Act came into force. Those who had lost Finnish citizenship or who were descendants of Finnish or former Finnish citizens were given until May 2008 to regain it by making the appropriate declaration.

Table 21 shows the number of successful applications for Finnish citizenship in 1990–2008

Table 21. Successful applications for Finnish citizenship by former citizenship, 1990–2008 (Statistics Finland)

	Nordic countries	Other Western European	Eastern European	North Africa, Western Asia	Sub-Saharan Africa	Other Asia	Latin America	North America, Australia, Oceania	Total
1990	1 139	147	154	92	34	72	41	50	1 729
1991	1 542	225	206	151	28	122	45	67	2 386
1992	1 039	51	293	85	40	119	48	11	1 686
1993	954	42	293	81	34	166	39	6	1 615
1994	745	36	212	60	27	121	32	11	1 244
1995	772	31	200	90	20	115	27	3	1 258
1996	1 092	18	238	176	31	239	30	6	1 830
1997	1 545	38	366	246	55	367	46	8	2 671
1998	4 170	68	1 025	657	600	829	70	13	7 432
1999	4 824	66	1 452	388	1 330	343	34	11	8 448
2000	3 032	65	1 267	491	452	378	68	14	5 767
2001	2 783	70	1 062	482	324	428	80	11	5 240
2002	3 116	60	1 180	557	326	537	92	5	5 873
2003	4 626	91	2 705	630	338	437	63	61	8 951
2004	7 035	170	3 951	1 201	312	601	105	168	13 543
2005	5 897	140	3 211	918	544	325	64	157	11 256
2006	4 628	99	2 149	993	579	217	35	82	8 782
2007	4 994	118	2 389	1 038	592	303	45	84	9 563
2008	6 967	160	3 303	1 479	764	346	69	163	13 251

by country of former citizenship. The impact of the allowing of dual citizenship since 2003 is clearly visible in the figures. The table also indicates the different migration histories (the length of stay) of the immigrant groups. The number of naturalisations increased in each group after the required six years of residence. The number of applications for citizenship declined significantly in 2009. One reason for this may have been the new stricter language requirements, which resulted in more negative decisions with regard to citizenship applications in the preceding years. Ten per cent of applications were rejected in 2009 (Maahanmuuttoviraston...2010).

The requirement to have satisfactory written and oral skills in Finnish or Swedish in order to be granted Finnish citizenship puts pressure on the providers of the language courses that are an important part of the integration scheme. The language requirements also put some immigrant groups in a disadvantaged position, specifically illiterate refugees and single stay-at-home mothers of large families.

4.4. The rights and benefits of immigrants

Over and above its official integration policies, Finland also complies with international agreements concerning the rights of foreign residents. The Non-Discrimination Act, effective since 2004, forbids all kinds of discrimination. The Act applies not only to recruitment and working conditions, but also to career advancement, training, access to self-employment and other means of livelihood. In order to ensure that they receive the services to which they are due, and that they will be fully understood, immigrants have the right to use an interpreter in administrative matters. Linguistic equality is also promoted through producing and translating brochures and forms covering the services offered by the various authorities in the main minority languages.

Political rights

Nordic and EU nationals have the right to vote in municipal elections. Nationals of all other countries may vote if they have lived in Finland for more than two years before the election. They are also eligible to stand for election as members of the municipal councils (Kuntalaki 365/1995). Voting in parliamentary and presidential elections is restricted to Finnish citizens.

Immigrants have the right to join and establish associations, and to apply for and receive public funding for their non-governmental organisations or associations. The state is committed to supporting immigrant initiatives and to promoting the civic activities of cultural minorities (Gov. Immigration Policy 2006: 16).

The right to work

All foreigners who have a permanent residence permit are entitled to work in Finland. Integration measures introduced by the state and the municipalities support immigrant entry into the labour market.

Non-Finns who have been granted a temporary residence permit are entitled to work, although there are certain restrictions covering degree students, as well as asylum seekers with a temporary residence permit issued on the basis of the Aliens Act (301/2004), section 51¹⁷ (Issuing residence permits in cases in which aliens cannot be removed from the country), for example.

Asylum seekers have the right to work outside of the refugee reception centre after three months have passed since the submission of the application for asylum. The aim is to encourage

17 Prior to 2009, asylum seekers who were allowed to stay on a temporary basis because it was not possible to send them back to their countries of origin (Aliens Act 301/2004, section 51) had no right to work at all. This strongly affected their chances of integrating into Finnish society, and left them dependant on social assistance.

active participation and to prevent marginalisation during the application process.

The Aliens Act (301/2004) was amended in 2006 in order to promote the entry of students from the so-called third-world countries into the Finnish labour market, making it easier for those who graduate to obtain a temporary work permit.

Foreigners have the same rights and duties as Finns in working life. However, there have been a number of cases in recent years in which the legal rights of foreign workers have been violated by private entrepreneurs.

Rights to housing

Immigrants and foreign nationals living in Finland have the same rights to housing as Finns (for more on the functional structure of the housing market in Finland see Chapter 2). All residents are entitled to apply for social housing, regardless of their nationality. Foreign nationals have been able to buy and possess property and apartments since the turn of the 1990s.

Rights to social security and other social services

Eligibility for Finnish social-security benefits provided by the Social Insurance Institution of Finland (KELA) is based on residence in Finland. All permanent residents are eligible regardless of their nationality. Immigrants or asylum seekers who have been granted a temporary permit (e.g., degree students, exchange students and asylum

seekers with temporary permits on the basis of the Aliens Act's section 51), are not usually eligible, although there are some exceptions. KELA issues a decision on eligibility for social-security benefits when someone moves to Finland (Act on the Implementation of the Social Security Legislation 1573/1993).

The reception of refugees, asylum seekers and beneficiaries of temporary protection includes accommodation, social assistance, essential social and health-care services, interpretation services and other help to cover their basic needs. Work and study activities may also be arranged.

Immigrants who have not been able to find gainful employment are, with certain exceptions, entitled to integration assistance, which consists of financial support of those who cooperate in the drawing up of an individual integration plan and participate in the measures and services agreed upon. The aim is to ensure that the immigrant has a secure means of support for the duration of the plan (see the section on integration policy). The assistance consists of labour-market support under the Unemployment Security Act, and social assistance under the Act on Social Assistance (1292/2002). Immigrants are not entitled to general labour-market support during the three-year period, except in the form of integration assistance. Table 22 shows the amount of monthly integration assistance granted. In addition, immigrants are usually entitled to the general housing allowance if they meet the relevant requirements.

Table 22. Finnish welfare support for unemployed immigrants and asylum seekers from 1.2.2010 onwards (Amendment to the Act on the Integration of Immigrants and Reception of Asylum Seekers 65/2010)

€/month	Basic welfare support, i.e. integration assistance	Asylum-seeker support (reduced by 30 per cent)	Asylum-seeker support when food is offered (reduced by 79 per cent)
Single adult	417	292	88
Married, co-habiting	355	248	75
Child allowance, differs with number and age	263	184	55

Financial assistance for asylum seekers decreased by 30 per cent of the minimum amount of the regular integration assistance in February 2010. The cut was introduced in an attempt to discourage groundless applications. For example, a single adult asylum seeker could now be granted €292 per month in social assistance, which is supposed to cover food, clothes, transport and other daily expenses. If he or she is entitled to have meals at the refugee reception centre the financial assistance is reduced by 79 per cent of the general integration assistance, even if he or she does not live or eat at the centre (Table 22).

The cut in integration assistance has been criticised on the grounds of false reasoning (see e.g., Thors 2009; Turvapaikanhakijoiden... 2010). Despite the relatively generous support for asylum seekers compared with some other European countries, Finland has received relatively few: 1,505 applications were received in 2007 compared with 36,207 in Sweden, with its lower financial support (Sutter 2009). The reduction in financial support may well make asylum seekers more passive by forcing them to stay at the reception centres and restricting their opportunities to integrate into society (Thors 2009; Turvapaikanhakijoiden... 2010).

4.5. The effects and monitoring of the integration-policy practices

On the European level, Finnish policies and integration legislation rank well above the EU average (see Migrant integration policy index 2007). The policy goals are certainly quite ambitious, but the implementation varies greatly among the local municipalities. In many cases the funding is insufficient, which has had an impact on the quality and scope of the integration measures provided for unemployed immigrants (see Valtioneuvoiston selonteko kotouttamislain...2002; Männikkö 2010). The monitoring of the out-

comes of the measures has also proved to be inadequate, although some municipalities have been very proactive in developing monitoring mechanism (Männikkö 2010).

According to the questionnaire¹⁸ sent to the municipalities by the Ministry of the Interior in 2009, the use of individual integration plans that should, by law, be drafted for unemployed immigrants varies, and some municipalities do not prepare them at all. In general, if the plans exist, they usually focus on the needs of an individual migrant, rather than the whole family (Männikkö 2010). Co-operation between different administrative sectors within the municipalities has sometimes also influenced the effectiveness of the integration measures, given the possible fragmentation of knowledge about them over different sectors. In general, the municipalities that responded to the questionnaire considered the programmes to be a relevant part of their overall decision-making. At best, they appear to increase awareness of the importance of integration, and to enhance the shared commitment to consider the needs of immigrants in the production of public services (Männikkö 2010; see also Valtioneuvoston selonteko kotouttamislain... 2002).

The Ministry of the Interior has worked to improve the monitoring of the effects of integration programmes and policy practices. In 2009 it launched a project to develop a set of indicators that could be used in the future to measure the policy impacts in the field of integration and ethnic relations (Kotouttamisen ja etnisten... 2009). Other European and Nordic experiences were closely monitored in the development of the indicators. A survey of existing immigrant services and their use was carried out in order to assess the municipalities' experiences and de-

¹⁸ The questionnaire was designed to assess the quality and scope of local integration programmes and practices in different-sized municipalities. It was sent to a sample of 30 municipalities, of which 28 responded and had written local integration programmes.

velopment needs. With regard to housing, approximately 60 per cent of the municipalities rated their housing services and their capability to respond to immigrant needs as good or very good, whereas around 20 per cent found them to be quite poorly or very poorly organised (Kotouttamisen ja etnisten... 2009: 48).

Immigrants were also surveyed regarding their own experiences of the integration procedures.¹⁹ According to the results, many do not know enough about the meaning and purpose of the practices. However, those who had taken part had found them quite helpful, particularly for learning Finnish or Swedish, and getting to know Finland and the Finnish people. A smaller minority, 32 per cent of the respondents, had managed to get work through the integration measures (Maahanmuuttajabarometrin lopuraportti 2009: 41–44). Although immigrants' employment opportunities have increased in Finland, in general, unemployment is still considerably higher and employment rates lower among many immigrant groups than among native Finns (see Chapter 3, Table 19; Myrskylä 2010). This indicates that the current integration measures are not sufficient to promote labour-market integration among immigrants. Nevertheless, recent research has shown that the measures introduced since 1999 have had positive outcomes on the earnings and employment opportunities of immigrants who have taken advantage of them (Sarvimäki and Hämäläinen 2010). Research also shows that immigrants' employment opportunities tend to improve over time (Forsander 2002; Linnanmäki-Koskela 2010).

The Finnish government is currently discussing new amendments to the integration law that

would extend the services to all immigrants – currently they are available mainly to recent arrivals who are unemployed. The outcomes of the policy of spatial dispersal have also raised political discussion. The current voluntary basis of refugee reception in the municipalities has led to problems because the number of refugees and asylum seekers who have been granted a residence permit based on subsidiary or humanitarian protection has exceeded the number of placements offered by the municipalities. This has led to homelessness and longer waiting times at the refugee reception centres, which in turn has limited the availability of integration assistance. At the beginning of 2010 there were almost 600 asylum seekers with residence permits waiting to be allocated to municipalities. Having received their residence permit, refugees are supposed to move from the centres to municipal placement organised by the state. They are free to look for accommodation themselves, but it has proved difficult to find housing in the private market without the help of the authorities. Attempts were made in 2010 to solve the problem by increasing the level of financial reimbursement to the municipalities (Männikkö 2010: 5). The aim is to encourage more municipalities to take refugees from the reception centres, but the voluntary basis of refugee reception as such has not changed.

Overall, Finland has been relatively late in developing its integration and settlement policies in comparison with the other Nordic countries. To a large extent the policies were formulated in response to a changing societal situation, and in that sense the approach has been reactive rather than proactive. The latest Government Migration Policy Programme, launched in 2006, is a clear exception in its proactive approach. In general, the experiences and examples of other Nordic and European countries, Sweden in particular, have influenced Finnish integration and settlement policies.

¹⁹ A questionnaire was sent to 300 individuals of Russian, Chinese, Thai and Turkish origin, of which 94 responded. Snowballing techniques produced an additional 87 respondents through members of the regional advisory boards of ethnic relations.

5. Regional settlement patterns and migration dynamics among immigrants in Finland

Saara Yousfi & Katja Vilkama

5.1. Settlement patterns

The rapid increase in international migration flows has influenced the ethnic and linguistic structures of the population in Finland. However, there are clear regional differences in settlement patterns. The majority of immigrants and their descendants are concentrated in the main cities and along the southern and western coasts, and to the east along the Russian border (Figure 15). In terms of numbers, 51 per cent of foreign nationals live in the county of Uusimaa, nine per cent in Varsinais-Suomi and seven per cent in Pirkanmaa. In total, 67 per cent of all foreigners lived in these three counties comprising the three main urban regions in 2009, compared with only 44 per cent of Finns.

The regional patterns of immigrant settlement have changed somewhat in the last two decades, a development that can be best described in terms of the changes in the numbers of foreign-language speakers: there has been more than a tenfold increase from 19,488 in 1989 to 207,037 in 2009. All Finnish municipalities had some non-native speakers in 2009, and 26 had more than 1,000.²⁰ At the same time, less than one per cent of the population in 137 municipalities were immigrants, which is significantly less than ten years previously, when 277 municipalities belonged to this category, and three municipalities had no immigrants.

The regional distribution of immigrants has

followed the same pattern as the general urbanisation process. The foreign population in the main regional centres, particularly university cities of innovation, is above the national average (Figure 16). Population growth has been the most rapid in Uusimaa, where natural growth, internal secondary migration and immigration have increased the population by over 15,000 people from the year before. Growth in the Tampere region, Eastern Uusimaa and Tavastia Proper is mainly due to internal migration, and in Northern Bothnia to the high birth rate. The economic recession has recently weakened the demand for labour, and the mobility of the labour force, resulting in a slump in interregional migration.

The proportional settlement structure of the foreign-language-speaking population has developed quite evenly since 1990, even though the total number of immigrants has increased (Figure 16). Figure 17 shows the relative change in settlement patterns. However, it should be borne in mind that the relative change may give an exaggerated picture given the fact that the absolute numbers of immigrants are small.

Overall, the geographical distribution of immigrants is primarily determined by the location of the major urban areas, although the refugee-dispersal policy has also had a clear impact on the regional distribution, as Figures 15-17 show. The policy has extended the spatial distribution to the more sparsely populated regions, which might not otherwise have attracted immigrant households. There are refugee households in all regions, although the total numbers vary.

The southern counties of Uusimaa, Varsinais-Suomi and Pirkanmaa, as well as the sparsely populated northern and eastern counties of Lappi and Kainuu, were the most active providers of municipal placements for refugees in 2008 (Table 23). The biggest cities refused to offer any placements, or drastically reduced the number in 2009 compared to previous years. The

²⁰ In total, there were 348 municipalities in Finland in 2009, of which 108 were categorised as cities and 240 were other types of municipalities.

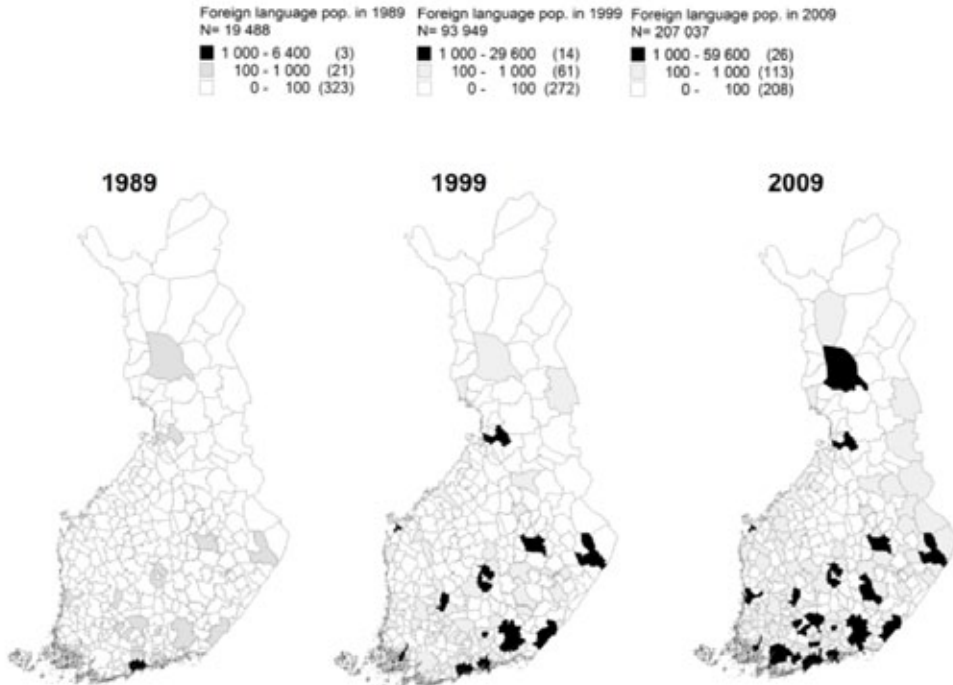


Figure 15. Settlement patterns among the foreign-language-speaking population, total volumes in 1989, 1999 and 2009 (Statistics Finland 2010).

main urban areas have taken in rather high numbers of immigrants through secondary migration from smaller municipalities, and this has affected their capacity to take refugees from the reception centres. Consequently, many municipalities have criticised the policy of spatial dispersal because of the effects of secondary migration. The state subsidises the costs of refugee reception for the first three years, but no longer than that, even though integration takes a much longer time (Männikkö 2010, 5). Relocation to bigger cities may also mean starting the integration process from scratch.

5.2. Migration within Finland

There has been more migration activity among the non-native than among the native population during the last 20 years (Table 24), although the rates have increased among both groups since the mid-1990s. The migration rate among im-

migrants has been 1.5 to 5.0 times higher than among native Finns since 1990 onwards, in terms of movement over municipality borders. The recession period in the early 1990s, together with the arrival of many new immigrants, gave a strong push to inter-municipality immigrant migration, whereas the native Finns had a more stable period. The migration rates of native Finns have varied in the past ten years from 4.6 to 5.2 per cent, the corresponding figures among immigrants being 7.4 and 8.1 per cent. The overall rate has remained stable in the 2000s despite the economic turbulence.

Data from Statistics Finland gives more detailed information about the internal migration of immigrants on the regional level (NUTS 3). It summarises inter-municipal migration by country groups for the periods of 1999–2003 and 2004–2008, and provides separate data on out- and in-migration flows for the county capitals and regions. County capitals refer to the major

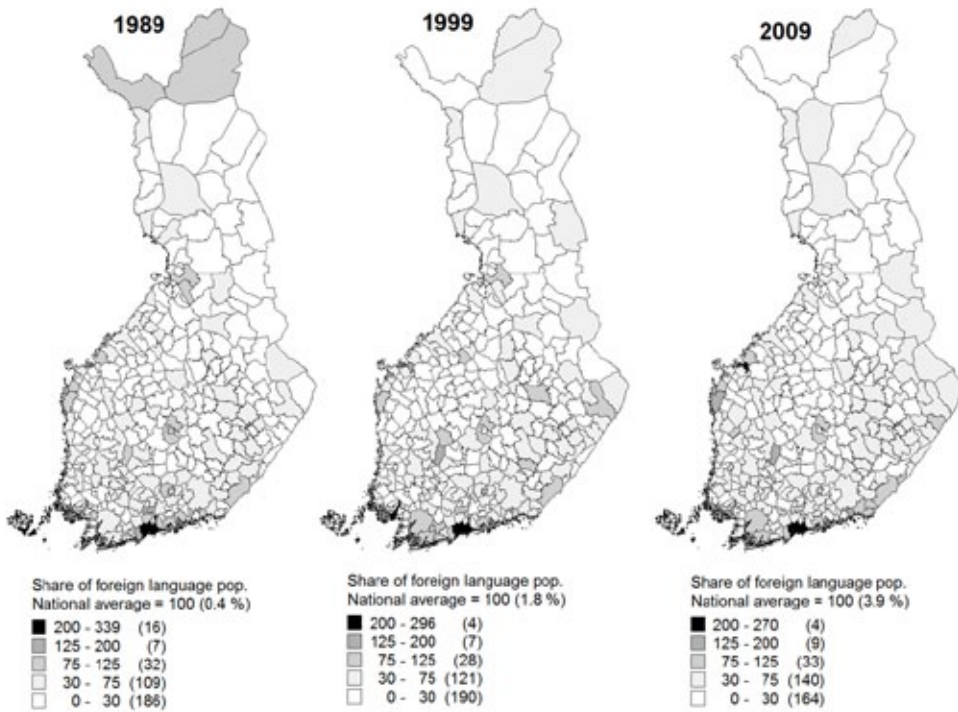


Figure 16. The distribution of speakers of languages other than Finnish, Swedish and Saami relative to the national average in 1989, 1999 and 2009 (Statistics Finland 2010).

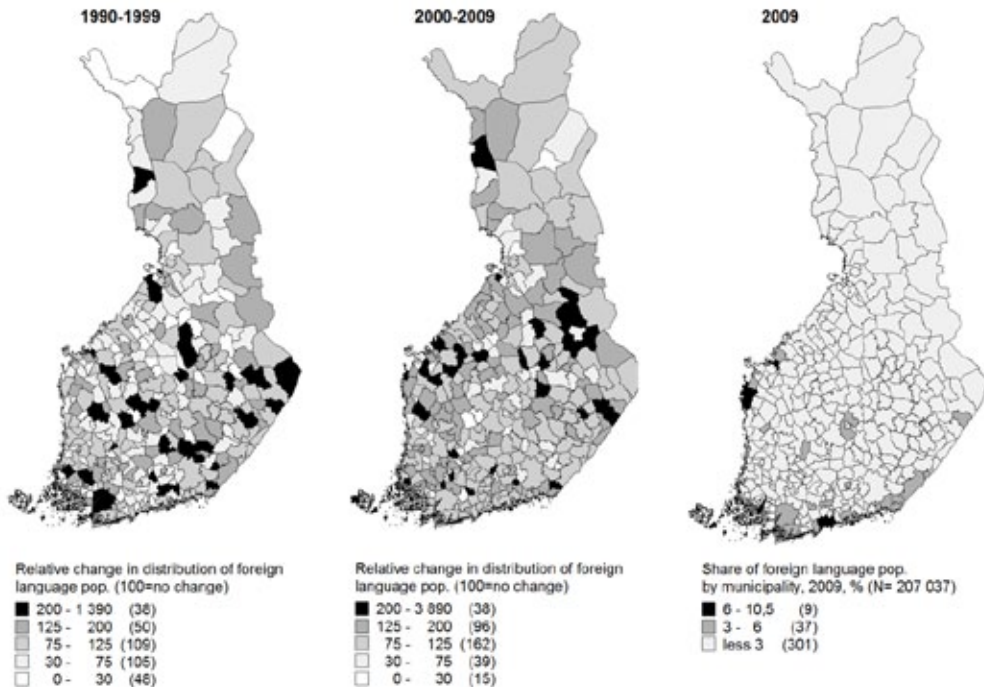


Figure 17. Changes in the relative distribution of the foreign-language-speaking population in 1990-1999 and 2000-2009 and the proportion of foreign-language speakers in 2009 (Statistics Finland 2010c).

Table 23. Refugees received by the municipalities by region, 2008.

	Refugees by quota	Applicants for asylum, favourable decisions	Family reunifications	Total
Uusimaa	65	345	223	633
Itä-Uusimaa	16	9	11	36
Varsinais-Suomi	-	119	42	161
Satakunta	-	5	-	5
Kanta-Häme	34	4	1	39
Pirkanmaa	39	29	91	159
Päijät-Häme	17	19	4	40
Kymenlaakso	44	79	23	146
Etelä-Karjala	7	27	-	34
Etelä-Savo	65	1	1	67
Pohjois-Savo	31	5	1	37
Pohjois-Karjala	17	36	47	100
Keski-Suomi	39	9	9	57
Etelä-Pohjanmaa	-	-	1	1
Pohjanmaa	92	14	36	142
Keski-Pohjanmaa	10	-	-	10
Pohjois-Pohjanmaa	9	90	33	132
Kainuu	72	72	8	152
Lappi	127	42	26	195
Ahvenanmaa	21	3	-	24
Whole country	705	908	557	2 170

Table 24. Inter-municipal migration by country of birth in relation to economic changes (Statistics Finland 2010).

	Native Finns		Immigrants	
	Internal migrants (N)	Migration rate (%)	Internal migrants (N)	Migration rate (%)
1990	174 875	3.3	3405	5.2
1992	148 171	3.0	12705	14.8
1994	193 733	3.9	7143	7.1
1996	210 244	4.2	7657	6.9
1998	229 556	4.6	9562	7.6
2000	234 099	4.6	10034	7.4
2002	245 344	4.9	12125	8.0
2004	253 318	5.0	13029	7.8
2006	258 594	5.1	14944	8.0
2008	252 003	4.9	17789	8.1

Table 25. Inter-municipal migration during 2004-2008 by country group, per cent (Statistics Finland 2010c).

	From	To	To	To
		county capitals	county-capital regions	other county regions
Finland, N=1 289 231	County capitals	25	12	14
	County capital regions	10	4	4
	Other county regions	16	3	13
Other Nordic, N=17 145	County capitals	25	12	15
	County capital regions	9	3	3
	Other county regions	16	3	14
Other Western European, N=5 668	County capitals	42	12	12
	County capital regions	8	2	2
	Other county regions	12	2	7
Eastern European, N=26 247	County capitals	40	9	11
	County capital regions	8	2	2
	Other county regions	16	2	10
North American, Oceanian, N=2 454	County capitals	49	12	10
	County capital regions	9	2	2
	Other county regions	11	2	4
All foreign born N=76 488	County capitals	42	9	11
	County capital regions	8	2	2
	Other county regions	14	2	9
North African, West Asian, N=8 880	County capitals	54	8	8
	County capital regions	8	1	1
	Other county regions	15	1	5
Other African, N=5 293	County capitals	70	3	6
	County capital regions	9	0	1
	Other county regions	9	1	1
Other Asian, N=8 302	County capitals	56	8	9
	County capital regions	7	2	2
	Other county regions	10	1	5
Latin American, N=1 416	County capitals	50	10	10
	County capital regions	9	2	2
	Other county regions	13	2	4

cities, 20 in total. Some of them are too small to have surrounding urban regions, however.

There are notable differences in migration rates between the different country groups and in the direction of internal migration. In general, the migration patterns of the natives and non-natives differ significantly, with the excep-

tion of the other Nordic groups whose migration behaviour resembles that of native Finns. Among all of the immigrant population, 42 per cent of the inter-municipal migration has been between county capitals, compared with 25 per cent among native Finns. Similarly, 64 per cent of the migration within Finland has been to county

capitals, as opposed to 50 per cent among the native Finns. These capitals are growth areas that receive various kinds of regional support and have specialised labour markets with more job and training opportunities that attract immigrants. However, at the same time they also lose residents, mainly to the surrounding regions. In other words, there is a process of regionalisation, which is much stronger among native Finns than among immigrants.

Half of the inter-municipal migration of Finns and other Nordic people is to the county capitals, and 30 per cent to rural municipalities, compared with about 63 per cent and 23 per cent, respectively among other Western and Eastern Europeans. The differences between Western and Eastern Europeans are small, but Western Europeans are slightly more urban-oriented. North Africans and Asians move predominantly (75 per cent of the time) towards the county capitals, and only 15 per cent to rural areas, whereas North and Latin Americans are a little more likely to move to the surrounding regions of the county capi-

tals. The biggest difference appears among those born in Sub-Saharan Africa: 88 per cent of their moves are to the county capitals and only four per cent to the surrounding regions (Table 25).

The inter-group differences in migration are partly attributable to the initial placement of immigrants and asylum seekers. The dispersal policy and the problems with municipality placement despite having a residence permit have forced asylum seekers to move to remote locations with limited job opportunities for short periods of time. Many quota refugees have also been initially settled in smaller municipalities throughout the country. Secondary migration from rural towns to major urban areas has been common among refugee households (Kokko 2002; Ahlgren-Leinvuo 2005). The dispersal policy has thus encouraged the active migration of some immigrant groups. The social networks, and the better study and work opportunities have attracted immigrants from smaller municipalities to urban areas, as they attract young people in general.

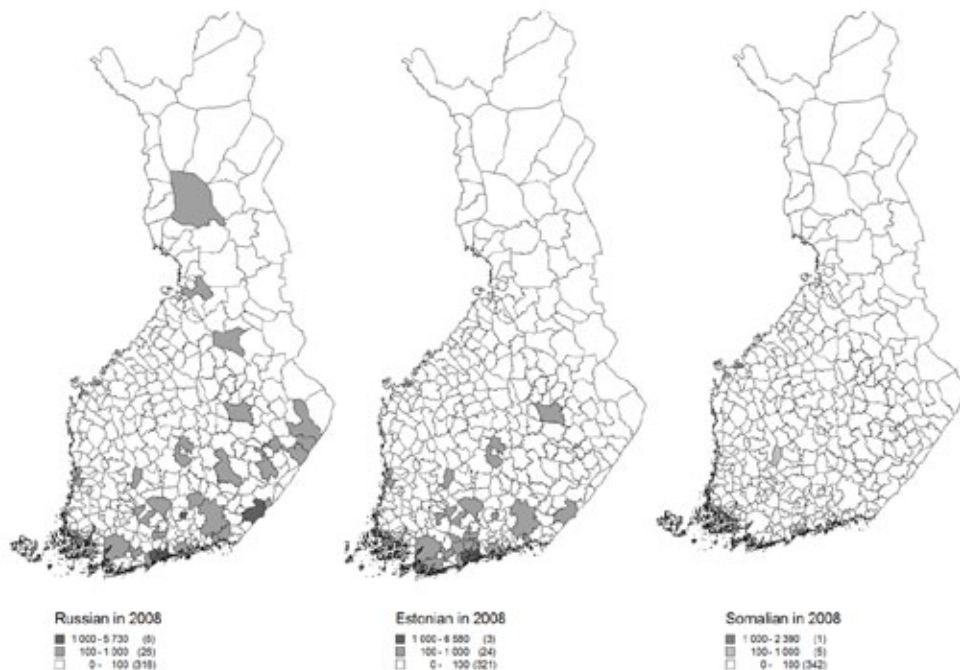


Figure 18. The settlement pattern of Russians, Estonians and Somalis in 2008 (Statistics Finland).

In conclusion, the main destinations for internal migrants are the metropolitan area including the Helsinki region and the rest of Uusimaa, followed by Turku, Tampere and Oulu and the surrounding regions. Nordic immigrants are concentrated in the main cities, and also in Swedish-speaking regions such as the Åland Islands and along the western coast. Eastern Europeans are the most widely dispersed groups, but even then, 65 per cent of them are concentrated in ten cities. The most highly concentrated are the Somalis, 74 per cent of them living in the metropolitan area. Russians are concentrated in the biggest cities and in small municipalities close to the Eastern border, whereas Estonians favour more southern locations. Marriage with Finnish spouses has a strong influence on the regional location of immigrant groups, thereby functioning as a distributive factor (Figure 18).

5.3. Ethnic residential segregation in the Helsinki metropolitan area: a case study

5.3.1. Changing dynamics

The Helsinki region is the biggest urban area in Finland, housing a quarter (1.3 million) of Finland's total population of 5.3 million, and slightly less than half of all foreign nationals. The region comprises 14 municipalities, of which the three core cities of Helsinki, Espoo and Vantaa, together with Kauniainen, make up the metropolitan area. The remaining ten municipalities are smaller in terms of population, forming a kind of semi-circle around the capital, to which they are closely linked through common labour and housing markets.

The Helsinki metropolitan area has grown significantly during the last two decades both by economic standards and in population (see e.g., Laakso and Kostianen 2007; Vaattovaara

et al. 2010). New jobs and migration are concentrated in the largest city regions, and Helsinki in particular has grown into one of Europe's leading centres of information and communication technology (see e.g., Vaattovaara 2009). At the same time, house prices have increased significantly, as in many other European cities that have thrived economically (Musterd et al. 2009). This has resulted in new forms of spatial differentiation as socio-economic and spatial divides have begun to open up (Vaattovaara and Kortteinen 2003; Kauppinen et al. 2010). The new economic growth emphasises the role of high-level education as a labour-market resource, which along with increasing income differences has accentuated socioeconomic differentiation within certain population categories (Vaattovaara and Kortteinen 2003).

Changes in the socioeconomic structures have coincided with a high increase in the inflow of international migrants both from abroad and from other Finnish municipalities (see the previous section). As a result, the metropolitan area is becoming increasingly diverse and multi-ethnic, which directly affects the patterns and processes of ethnic and socioeconomic segregation.

The three cities in the metropolitan area - Helsinki, Espoo and Vantaa - aim to prevent socioeconomic residential segregation by means of social and tenure mixing, housing and social policies, and urban planning. Social mixing is emphasised most notably in Helsinki, which has had such policies since the 1970s. The policies followed international examples, but were also influenced by the national ethos of egalitarian welfare politics. A socially and spatially balanced city structure has been perceived as a basis for a just and equal society (Mäenpää et al. 2000: 27-29, 176; Vaattovaara and Lönnqvist 2003). The aim to prevent ethnic segregation was incorporated into the existing mixing policies in all three cities during the 1990s,

Table 26. The proportion of foreign-language-speakers in the Helsinki metropolitan area 1.1.2010 (Statistics Finland).

City / Helsinki region	Population 1.1.2010				
	Total N	Foreign-language- speakers N	%	Foreign nationals* N	%
Helsinki	583 350	59 573	10.2	41 735	7.2
Espoo	244 330	21 240	8.7	13 926	5.8
Vantaa	197 636	17 969	9.1	10 845	5.6
Kauniainen	8 617	326	3.8	265	3.1
Helsinki Metropolitan Area in total**	1 033 933	99 108	9.6	63 690	6.2
Other Helsinki Region***	301 433	8 502	2.8	5 780	1.9
Helsinki Region in total	1 335 366	107 610	8.1	69 470	5.3
Finland	5 351 427	207 037	3.9	155 705	2.9

* Statistics on foreign nationals are from 1.1.2009, except for Helsinki and Finland 1.1.2010

** Helsinki Metropolitan Area includes the cities of Helsinki, Espoo, Vantaa and Kauniainen

*** Helsinki Region includes the metropolitan area region and 10 surrounding municipalities

when it became evident that the proportion of immigrants was rising steeply in the metropolitan area. The aim has been restated strongly in local politics in recent years as the residential concentrations of immigrants have kept increasing despite attempts at dispersion. In general, the fear seems to be that the increasing spatial concentration of immigrants will result in further segregation between the well-off and the poor, trigger racism and social problems and increase marginalisation, thereby hindering immigrants' integration into Finnish society (see e.g., Dhalmann and Vilkkama 2009; Helsingin asunto-ohjelma... 1998: 90-92; Helsingin asunto-ohjelma... 2000: 62).

In 2010, 8.1 per cent of residents in the Helsinki region spoke a language other than Finnish or Swedish²¹ as their mother tongue (Table 26). In comparison to other Nordic capital regions, the proportion of immigrants is still low, although the increase in numbers and proportions

has been rapid in the last two decades. The proportion of native speakers of foreign languages has increased from less than one per cent in 1985 to the current 8.1 per cent, which is among the fastest in Europe in relative terms (Saukkonen 2007: 13). The vast majority of immigrants and their descendants live in the cities of Helsinki, Espoo and Vantaa, and the number of immigrant households in the other municipalities in the region remains very low (see Table 26). For instance, the proportion of foreign-language-speaking residents in Helsinki reached more than ten per cent in 2010, whereas in most of the surrounding municipalities it remains close to, or below, three per cent.

The focus in the following sections of this chapter is on the current patterns and processes of ethnic residential segregation in the Helsinki metropolitan area. The increasing ethnic diversity is not yet a significant element in the population growth in the wider Helsinki region outside the core cities of Helsinki, Espoo and Vantaa. However, the surrounding municipalities are linked to the production of ethnic residential segregation in the metropolitan area through the process of residential mobility. The out-mi-

21 Swedish speakers comprise an old cultural and linguistic minority in Finland. Their share of the population in the Helsinki metropolitan area has diminished substantially in recent decades (see e.g., Kepsu & Westerholm 2005). In Helsinki and Vantaa, the proportion of foreign-language-speaking residents has exceeded the proportion of native speakers of Swedish.

gration of Finnish families to areas of detached housing in the surrounding municipalities has a significant effect on the ethnic segregation patterns in the metropolitan area.

5.3.2. The composition of the foreign-language-speaking population in the Helsinki metropolitan area

The ethnic and cultural composition of the foreign-language-speaking population is rather diverse. In 2009, 42 per cent of the foreign-language-speaking residents were of East European origin (native speakers of Baltic languages, Russian and other East European languages), 16 per cent had a West European, American or other Anglo-Saxon background,²² and the remaining 42 per cent had a non-Western background (Table 27). Russians, Estonians and Somalis comprised the biggest single groups of native speakers of foreign languages, followed by speakers of English, Arabic, Chinese and Kurdish.

The immigrant categories in the metropolitan area reflect the immigrant population in Finland as a whole (see Chapter 3). However, there are some regional differences in patterns of residential location among the migrant groups. Africans are by far the most concentrated group, more than 70 per cent of them living in Helsinki, Espoo or Vantaa (Table 27; see also subsection 5.2). Native speakers of West European and Asian languages are also rather concentrated, with more than half of them living in the metropolitan area. East Europeans and Russians, on the other hand, are the most widely dispersed, and Russians in particular are over-represented in the border area of Eastern Finland (see also Raento and Husso 2002; Heikkilä and Pikkarainen 2007).

Table 27 shows the rapid growth in the different categories of foreign-language-speaking pop-

ulations in the metropolitan area, which in all categories significantly outnumbered the increase in the numbers of Finnish and Swedish speakers in the 2000s. The highest growth was among native speakers of Asian and North African languages, with a total increase of more than 130 per cent in 2000–2009. This rapid growth trend is mostly attributable to the high inflow of new immigrants directly from abroad.²³ Secondary migration from other Finnish municipalities is also quite significant among some groups (see chapter 5.2. and Figure 19). Natural population growth is another factor contributing to the rapid increase in immigrant populations in the Helsinki metropolitan area. Most of the groups are young in terms of age structure, and the fertility rates among some of the women are much higher than among the native population (Martikainen 2007).

International and internal migration and a high natural growth rate among some categories have changed the composition of immigrant populations in the metropolitan area since the 1990s, and the number of migrants born outside Europe in particular has increased notably in relation to other groups. The number of immigrants of European origin, including Russians, has also continued to increase, whereas the number of Nordic migrants remains fairly low (Figure 20).

5.3.3. Residential patterns among the foreign-language-speakers

Figure 21 illustrates the residential patterns of foreign-language-speaking households in the metropolitan area. They are generally overrepresented in the residential suburbs with rail and metro connections. The highest concentrations are in eastern Helsinki, eastern Vantaa and cen-

²² This refers to all native speakers of West European languages including French-, Spanish- and English-speaking groups with non-European origins.

²³ Finland took an active approach to immigration during the 2000s, and labour migration in particular has increased noticeably during the past five years (see Chapter 3).

Table 27. The composition of the population on 1.1.2009, and population growth in 2000-2009, in the Helsinki metropolitan area by native language and continent (Statistics Finland).

Native speakers of...	Population 1.1.2009		% of speakers of foreign languages		% of all residents in Finland		Population growth 1.1.2000-1.1.2009	
	N	%	%	%	%	N	%	
Finnish or Swedish	922 578	91.0		18	29 757	3		
Baltic languages	11 248	1.1	12	48	6 249	125		
Russian*	20 520	2.0	23	40	9 642	89		
West European languages	14 790	1.5	16	51	6 342	75		
East European languages	6 688	0.7	7	40	3 733	126		
N. African & M. Eastern languages	10 762	1.1	12	44	6 179	135		
Sub-Saharan African languages	11 529	1.1	13	77	5 760	100		
Asian languages	14 236	1.4	16	54	8 229	137		
Other languages	1 243	0.1	1	33	527	74		
<i>Foreign-language-speaking in total</i>	<i>91 016</i>	<i>9.0</i>	<i>100</i>	<i>48</i>	<i>46 661</i>	<i>105</i>		
Population in total	1 013 594	100		19	76 418	8		

* includes also other groups from the former Soviet Union except the Baltics

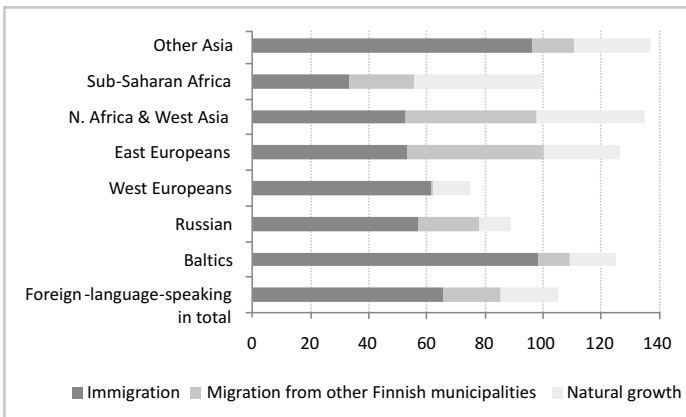


Figure 19. Population growth (per cent) of foreign-language-speaking populations in the metropolitan area by native language and continent, 2000-2009 (Statistics Finland).

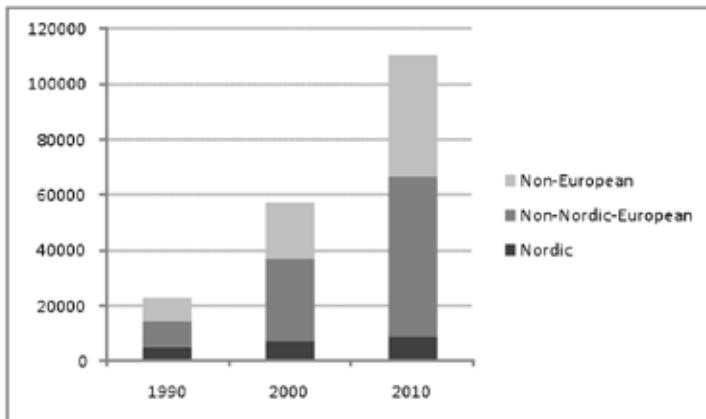


Figure 20. The composition of the immigrant population in Uusimaa 1990-2010²⁴ (Statistics Finland).

²⁴ Uusimaa county comprises the Helsinki region (excluding the municipality of Sipoo) and five neighbouring municipalities. Almost all of the immigrant population resides in the metropolitan area, however. Data registered on 31.12.1990, 31.12.1999, and 31.12.2009.

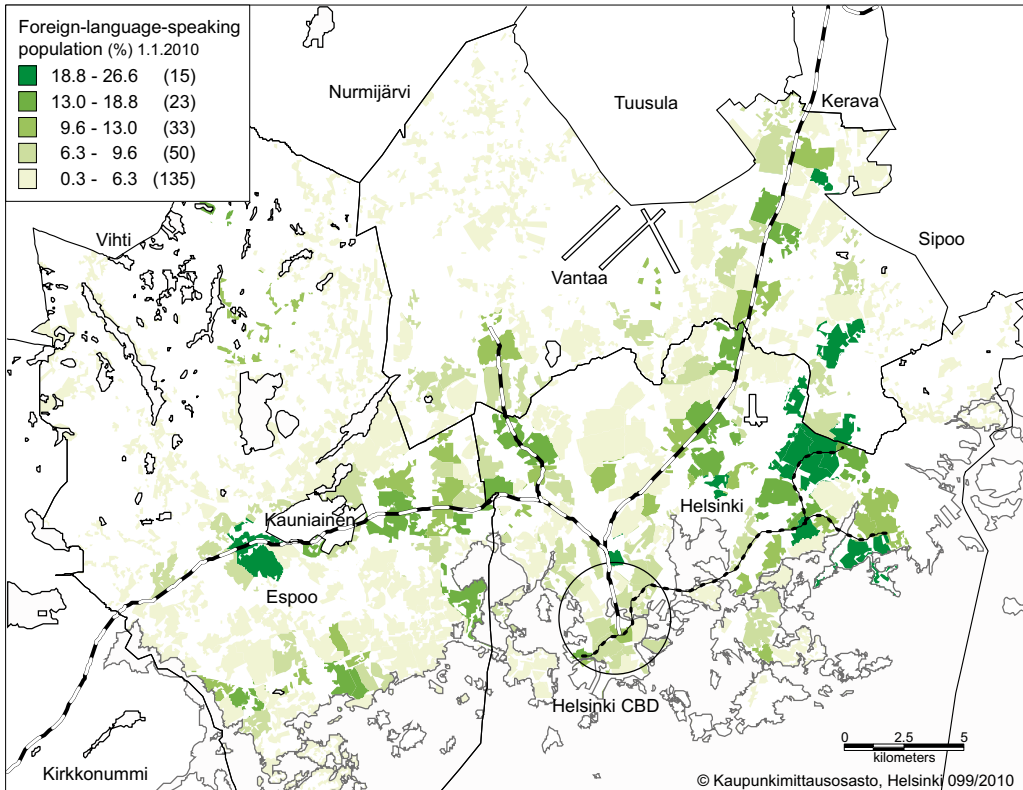


Figure 21. Proportions of foreign-language-speaking residents in the Helsinki metropolitan area, 1.1.2010 (Helsinki Region Statistics 2010).

tral Espoo. On the neighbourhood level,²⁵ the highest concentrations peaked at 26.6 per cent in 2010, although there are smaller areas and residential blocks with much higher levels. In this respect, the residential concentration of immigrants in the Helsinki metropolitan area could still be described as a fine-scale mosaic of multi-ethnic pockets, in contrast to the full-scale immigrant-dense neighbourhoods that are common in Swedish urban areas and, to a lesser extent, in Denmark and Norway.

The spatial patterns are nevertheless very visible and stable. Once established, immigrant concentrations have continued to grow in size because of natural growth and selective migration among both native and immigrant house-

holds. There has been a consistent increase in the proportions of non-native residents in all of the current concentration neighbourhoods since the mid-1990s, of over ten per centage points in most areas. At the same time, coastal and northern areas in particular remain almost completely untouched by ethnic diversity.

Tables 28 and 29 show the differences in tenure structure in the metropolitan area in relation to the different proportions of foreign-language-speaking residents in neighbourhood subareas. There is a clear pattern of tenure segmentation: the proportion of immigrant residents increases in direct relation to the proportion of social housing. In areas with the highest immigrant concentrations (25 per cent or over, Table 28), social housing accounts for more than 60 per cent of the housing stock, on average, and when right-of-occupancy dwellings are included the propor-

²⁵ The mean neighbourhood population size in the metropolitan area, excluding unpopulated areas, is 3,900 persons.

Table 28. Tenure composition in the Helsinki metropolitan area according to the proportion of foreign-language-speaking residents, 31.12.2008 (Statistics Finland).

Percentage of native speakers of foreign languages in n'hood	Tenure type 31.12.2008 *						Total	Dwellings (N)
	Owns the house	Owns the apartment	Private rental	Social housing	Right of occupancy	Other		
0-5%	18	47	16	8	2	9	100	134 106
5-10%	5	44	23	16	2	9	100	233 183
10-15%	2	36	14	37	5	5	100	89 653
15-20%	1	38	14	40	3	4	100	39 907
20-25%	1	34	10	49	3	3	100	23 007
over 25%	1	17	7	64	9	2	100	8 946
Total	7	42	19	22	3	8	100	528 962

* Data on Kauniainen is not included

tion of state-subsidised housing exceeds 70 per cent. Conversely, the proportion of owner-occupied housing is low (18 per cent). On the other hand, owner occupation is the dominant form of tenure in areas with the lowest levels of immigrants. This category includes practically all areas of detached housing in the metropolitan area.

There is also an interesting differentiation in the age structure of the housing stock in the areas with different proportions of immigrant residents (Table 29). Immigrant-dense neighbourhoods in other Nordic countries tend to be situated in residential areas that were built during the construction boom years of the 1960s and 1970s. The highest proportions of foreign-language-speaking residents in the metropolitan area of Helsinki, however, are to be found in the suburbs that were developed in the late 1980s and 1990s - at the time when immigration to Finland began to increase (see also Kauppinen 2002). These new

housing areas had an abundance of vacant rental dwellings that could be used to house new immigrant families. Due to the severe recession at the time, there was a downturn in private construction, thus the new areas were largely state-subsidised and had unusually high proportions of social housing.

The neighbourhoods built in the 1960s and 1970s also typically have high proportions of immigrant families. The majority of the housing stock in areas with 20–25 per cent of foreign-language-speaking residents consists of high-rise or low-rise multifamily housing built during this period. On the other hand, very little of the housing in neighbourhoods with lower-than-average immigrant populations was built in the 1960s and 1970s, and more than a third of it dates back to before World War II. The affluent residential areas in the city centre belong to this category.

With regard to socio-economic indicators,

Table 29. Dwellings by year of completion in the metropolitan area, according to the proportions of foreign-language-speaking residents, 31.12.2008 (Statistics Finland; SeutuCD 2009)

Percentage of native speakers of foreign languages in n'hood	Dwellings by year of completion 31.12.2008 *						Total	Dwellings (N)
	before 1940	1940-1959	1960-1979	1980-1999	2000-2008	Unknown		
0-5%	13	18	28	27	13	1	100	135 604
5-10%	20	12	32	24	11	0	100	233 773
10-15%	2	8	31	42	18	0	100	90 137
15-20%	0	1	58	31	10	0	100	39 787
20-25%	0	1	62	31	6	0	100	23 358
over 25%	0	1	23	71	5	0	100	8 954
Total	13	12	34	29	12	0	100	532 117

* Data on Kauniainen is not included. Data source for Helsinki: Seutu CD 2009

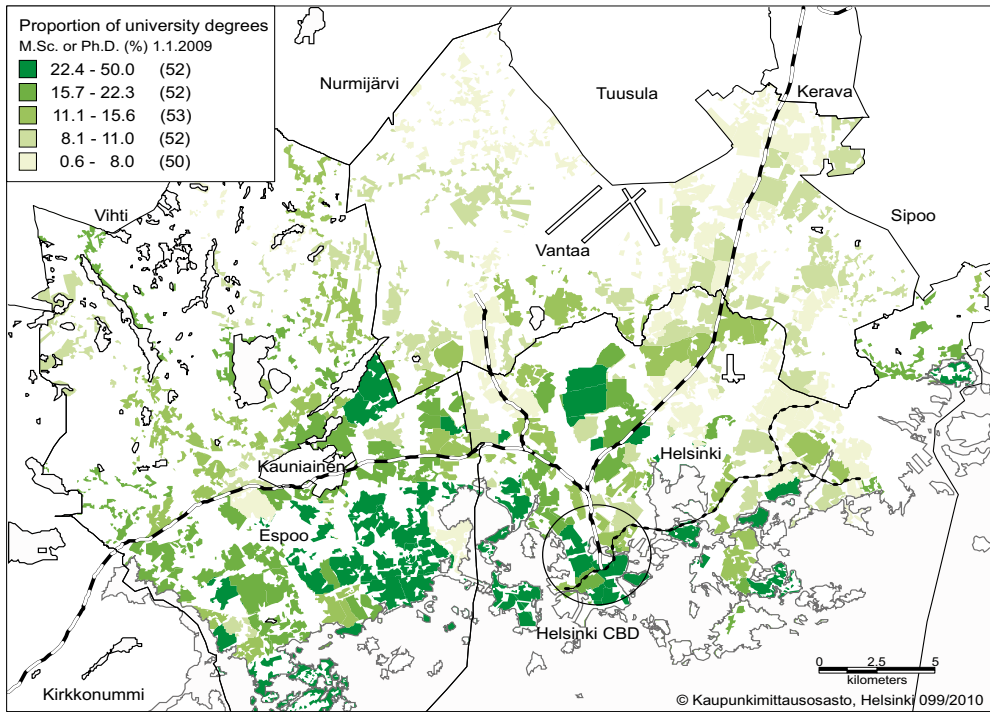


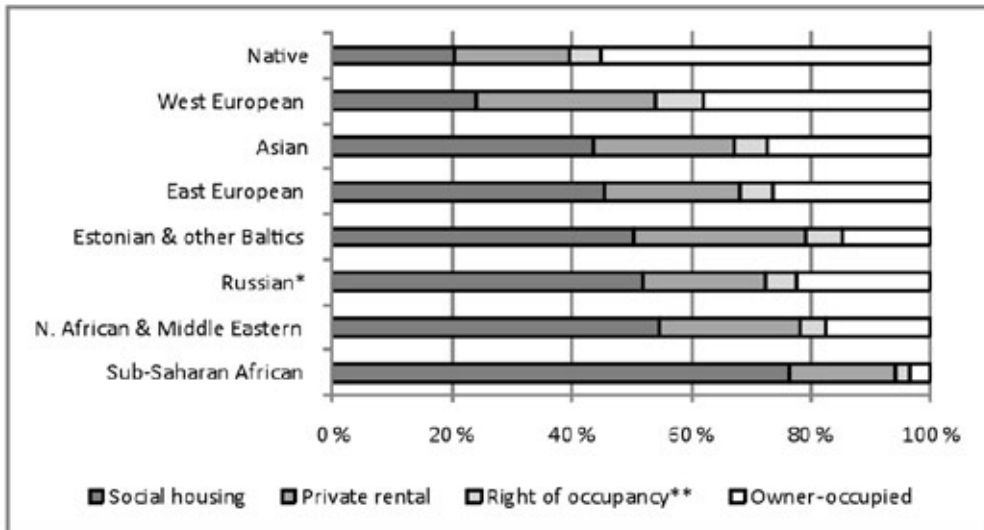
Figure 22. The proportion of over 15-year-olds with a higher university degree (M.Sc. or Ph.D.) in the Helsinki metropolitan area, 1.1.2009 (Helsinki Region Statistics 2010)

areas with high proportions of immigrant residents tend to fall below the average level of the metropolitan area. Most of the high-concentration areas have low proportions of highly educated residents (Figure 22), and higher-than-average unemployment (Kortteinen and Vaattovaara 1999; Kauppinen et al. 2010). Income levels are also somewhat lower in areas with higher-than-average proportions of immigrant residents. Table 30 shows the employment-income distribution of residents according to the proportions of

foreign-language-speakers, based on the national income deciles of residents in Finland. A higher proportion of residents in the high-concentration neighbourhoods falls into the first and second income deciles than in areas with lower proportions of immigrants. However, the difference is most pronounced among the highest income groups. Only between five and seven per cent of residents in areas with an immigrant population of more than 15 per cent earned enough to belong to the highest income decile in 2008, as opposed

Table 30. Employment-income composition in the Helsinki metropolitan area according to the proportions of foreign-language-speaking residents, 31.12.2008 (Statistics Finland): the income deciles are based on the national levels of residents in Finland.

Percentage of native speakers of foreign languages in n'hood	Work income deciles									
	1 & 2	3	4	5	6	7	8	9	10	Total
0-5%	16	8	7	6	7	8	10	13	24	100
5-10%	16	10	9	8	9	9	11	12	16	100
10-15%	16	11	10	9	10	10	11	11	12	100
15-20%	19	13	11	11	10	10	10	9	7	100
20-25%	19	12	11	11	11	10	10	9	7	100
over 25%	22	13	12	12	10	10	9	7	5	100
Total	17	10	9	8	8	9	10	12	17	100



* Russian and other languages of the former Soviet Union (excluding the Baltic languages)

** including other or unknown tenure types.

Figure 23. The distribution of households by housing tenure and native language in the Helsinki metropolitan area, 31.12.2008 (Statistics Finland).

to 24 per cent in the areas with the lowest level of immigrants. In total, 17 per cent of the population in the metropolitan area belonged to the highest income category in 2008.

5.3.4. Ethnic hierarchies in the housing market

The housing-market positions of different immigrant groups vary greatly in the metropolitan area, as in the whole country. Rental accommodation is the most common housing type among all immigrant households, although dependency on social housing differs greatly among the different categories. The level of social housing in certain categories, Sub-Saharan Africans in particular, is very high (76 per cent, Figure 23). In contrast, it is much lower among those with a West-European background, who closely resemble Finnish- and Swedish-speaking residents in terms of their distribution among different tenure types. Dependency on social housing varies between 44–55 per cent in other immigrant categories, North African and Middle Eastern households taking the second highest position. Owner occu-

pancy is rather rare among immigrant households in the metropolitan area, in comparison with the Finnish- and Swedish-speaking population.

The segmentation of housing tenure has direct spatial effects on segregation patterns. The more well-off groups, particularly highly skilled migrants and those coming from Western countries, mostly live outside of the concentration areas shown in Figure 21 and tend to settle in the better-off neighbourhoods around the centre of Helsinki, and in the western parts of Helsinki city and Espoo (Kauppinen 2000; Kepsu et al. 2009: 106–107). On the other hand, refugees and other low-income migrant groups, who are highly dependent on social housing, tend to be more concentrated and to live in neighbourhoods with higher proportions of immigrant households. This differentiation is visible in Figure 24, which shows the proportions of immigrant groups living in areas in which more than 20 per cent of the residents are non-native. None of the categories is highly concentrated exclusively in these areas. Only 17 of the 426 sub-areas has more than a 20-per-cent share of im-

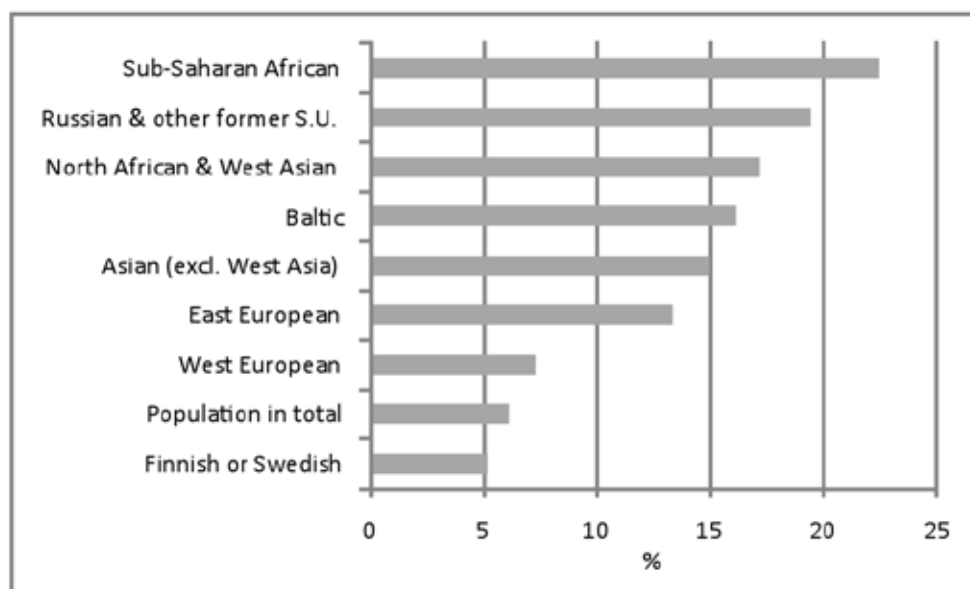


Figure 24. The proportions of immigrant groups living in areas in which more than 20 per cent of the residents are foreign-language-speaking, 1.1.2009 (Statistics Finland).

migrant residents.

The differences in tenure dependency are also clearly visible in the segregation indexes, measured here as a dissimilarity index between the native and immigrant residents (Table 31). Dissimilarity indexes are measured on the sub-area level with an average population size of 2,400 inhabitants, excluding unpopulated areas. Sub-

Saharan categories, which are the most dependent on social housing, are the most highly segregated from native Finnish residents: 51 per cent of them (or of the native Finns) would have to relocate for the spatial dispersal of the two categories to be identical. Other groups are less highly segregated, the lowest levels being among native speakers of West European languages.

Table 31. Index of dissimilarity between native Finnish and foreign-language-speaking residents in the Helsinki metropolitan area, 1.1.2000 and 1.1.2009 (Statistics Finland) .

Index of dissimilarity Finnish- or Swedish-speaking population vs. speakers of...	Absolute Relative			
	2000	2009	change	change %
All foreign languages	0.27	0.27	0.01	2.8
Baltic languages	0.37	0.31	-0.06	-16.3
Russian*	0.35	0.32	-0.02	-6.9
West-European languages	0.22	0.21	-0.01	-4.5
East-European languages	0.35	0.36	0.01	3.8
North-African & the Middle Eastern languages	0.32	0.36	0.04	13.2
Sub-Saharan languages	0.52	0.51	0	-0.3
Other Asian languages	0.32	0.32	0	-1.2
Other or unknown languages	0.44	0.43	-0.02	-3.7

* & including other languages from the former Soviet Union, except the Baltic languages

In general, the segregation patterns remained stable throughout the 2000s. The biggest per centage increase in dissimilarity (13%) was between the native Finns and immigrants from North Africa and the Middle East. Nevertheless, the index remains at a very modest level, well below the segregation rate between speakers of Sub Saharan African languages and native Finns.

There was a decrease in segregation in the 2000s between native Finns and speakers of the Baltic languages and, to a lesser extent, of Russian as well as West European languages. By international standards, all the indexes show very modest levels of segregation between the native population and the different immigrant groups.

As the above tables and figures illustrate, there are signs of an ethnic hierarchy in the housing-market position of the different immigrant categories. Some groups have a free choice of residential location and tenure type, whereas others are more constrained. However, preliminary longitudinal studies on the housing careers of immigrants in Finland show that, in time and in all immigrant categories, there is a tendency to move to owner-occupied housing as careers advance and the levels of disposable income increase (Linnanmäki-Koskela and Niska 2010). At the same time, the ethnic hierarchy may level out, which might influence the spatial patterns and processes of residential segregation in the near future. However, thus far, there are no detailed longitudinal studies on immigrants' housing careers and their impact on segregation patterns in Finland.

In conclusion, the current levels of ethnic residential segregation are still rather modest in the Helsinki metropolitan area. The emerging spatial patterns are rather persistent, however. It is likely, given the current processes of migration and segregation, that the level of residential concentration among immigrants will increase in the near future. According to population estimates,

the proportion of foreign-language-speaking residents will reach almost 20 per cent in Helsinki by the year 2030, and more than 15 per cent in the Helsinki region (Vieraskielisen väestön... 2010). This will have direct effects on the patterns and processes of ethnic and socio-spatial segregation within the metropolitan neighbourhoods in the coming years. However, the reasons behind the segregation patterns and processes are complex and dynamic, and it remains to be seen how they will influence this spatial differentiation in the near future. These outcomes and processes will be studied in more detail in further sub-projects within the NODES research project.

6. Conclusions

Finland has experienced rapid changes in recent decades, which were triggered by extensive societal changes. The first change, as described in this report, was related to the late but rapid industrialisation, together with the relatively rapid increase in wealth. The accompanying process of urbanisation and the notable rise in housing standards provided a good basis on which to reinforce the structures of the welfare state. Unlike in many European countries, the bulk of the population lived in the countryside until the 1950s. Moreover, whereas many European cities were established in terms of form and structure at the turn of the 1900s, the capital of Finland, Helsinki was still a tiny city at that time. The population of the whole region was only 138,000, and 82,000 of the residents were located within the city of Helsinki – the heart of the present-day city region. Thus the emergence of Finland as a welfare state was late but rapid.

The second major societal change derives from the changing economic structure. Finland, particularly the Helsinki region, has become one of Europe's leading centres of growth in information and communication technologies (ICT) in recent decades. A massive structural change has taken place in the economy of the country. The downside of this development is the shift in labour demand, resulting in unemployment – a phenomenon that was almost non-existent for decades.

We have shown in this report how the proportion of non-native residents in Finland is not only notably lower but has also increased decades later than in the other Nordic countries. The late industrialisation together with the late urbanisation would seem to be obvious explanations for this development. However, the relatively strict migration policy after World War II also had an influence.

The number of non-native residents has grown significantly during the last couple of decades. This change, again, could be related to developments in the labour market as well as to changes in the migration policy. Immigration to Finland has been mainly other than work-related. The main immigration flows have come from neighbouring countries: Russia, Estonia and Sweden. These groups have often settled where there are good connections from their country of origin, which is reflected in the spatial distribution of the immigrant population within the country. Immigrants are regionally concentrated in the major urban areas, along the southern and western coasts, and in the east near the Russian border.

The immigration flow gathered pace during the worst years of the recession, and continued side in conjunction with the massive economic shift. This has influenced immigrants' labour-market integration: their overall unemployment rate is high and they are more often employed in temporary or low-wage jobs. However, there are significant differences in socio-economic position between the groups: almost 60 per cent of immigrants from northern Africa and western Asia belong to the three lowest income deciles, whereas Western Europeans have a higher income level than the population in general. Finland has a net migration surplus among eastern European and the less affluent Asian and African groups. Immigration among the more affluent Westerners is usually temporary in nature.

The clear ethnic hierarchy in the Finnish labour market affects the housing-market position of the different ethnic groups. In addition, the reasons for migration influence the housing position of immigrants at the time of their arrival. Refugee households are assumed to need assistance in finding accommodation, and are directed towards municipal social housing. The same applied to the other large immigrant group, Ingri-

an Finns, prior to 2003. In total, 43 per cent of households comprising foreign nationals live in social rental housing (46 per cent of the foreign-language-speaking households), which is significantly higher than the 13 per cent among the native population. Dependency on social housing is more common in the Helsinki metropolitan area, with 48 per cent of immigrant households living in social rental accommodation. Immigrants from Western Europe, other Nordic countries and the Americas are more likely to live in private rental accommodation or as owner occupiers.

Dependency on social housing has two significant outcomes with regard to immigrants' housing conditions and their spatial location. Firstly, those who cannot afford owner occupancy are usually better off living in municipal social housing than renting privately. Social-housing apartments are usually in good condition and the rent level is generally lower than in the private market. Private rental levels have increased in the major urban areas in particular following deregulation in 1995. Secondly, the uneven dispersal of social-housing estates across urban neighbourhoods affects the residential patterns of immigrant households. The highest concentrations of immigrants are in neighbourhoods with high proportions of social housing. Consequently, immigrant groups that are most dependent on social housing are the most spatially segregated from the native population.

On the Nordic level, ethnic residential segregation is so far rather modest in Finland, which is mostly attributable to the relatively small number of immigrants. In addition, housing and integration policies aimed at preventing segregation have influenced immigrant residential patterns both nationally and locally.

On the national level, the regional distribution of immigrants is influenced by the refugee-dispersal policy. There are even immigrant households in some of the smaller, sparsely popu-

lated municipalities where the native population is declining. However, not all municipalities have volunteered to take in refugees, and the number of offered placements is often small. Secondary migration to bigger cities has become common, and is challenging in terms of providing housing and integration support for the relocating families.

On the local level the municipalities have been advised to prevent ethnic residential segregation. How this is implemented in practice varies, as the municipalities are autonomous in terms of deciding on their local policies. The Helsinki metropolitan area promotes social and ethnic mixing in the form of housing allocation and zoning practices that diversify the tenure stock in neighbourhoods. As a result, the residential concentrations of immigrants form a mosaic-like pattern that differs from the full-scale neighbourhood-level concentrations in other Nordic countries. The highest concentrations of immigrant households are in certain housing estates and apartment blocks. Despite the relatively low segregation levels however, residential concentration continues to expand in the Helsinki metropolitan area.

Increasing concentrations of immigrants in social housing reflect wider changes in the housing market. Housing policy has traditionally been an integral part of the Finnish welfare system, and the state has had an important role in supporting housing production and consumption. The ethos and strategy have emphasised universalism: state subsidies have been used to raise the housing level of the entire population. The social setting has now changed. Since the 1990s, state-subsidised housing production has been directed more towards groups with special needs, such as the elderly and the disabled. At the same time, some parts of social rental housing are becoming marginalised. Moreover, social differences between urban neighbourhoods and their rela-

tive positions in the local housing market have arisen. Some municipalities and neighbourhoods are able to attract affluent households, whereas the high-rise residential estates of the 1960s and 1970s in particular have become less desirable.

Growing social differentiation, the aging of the population and increasing ethnic diversity - as described in this report - challenge the social-welfare and housing policies in Finland. Previously well-functioning practices are under debate and subject to revision. Any cuts in social-welfare expenditure and changes in the social-housing sector will have direct impacts on the social wellbeing and housing conditions of the less affluent. Immigrants are in a particularly vulnerable position in this respect because of their relatively large numbers among the lowest income groups. Societal changes, together with possible changes in the policy framework, may therefore affect patterns of social and ethnic residential segregation in the future.

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Cross-country comparisons

Cross-country comparisons

1. Welfare in the Nordic countries

*Terje Wessel
Department of Sociology and Human
Geography, University of Oslo*

The Nordic countries Denmark, Finland Norway and Sweden are small economies which have reached a fairly similar stage of development. All four boast a combination of generous welfare entitlements and rapid economic growth. They appear to constitute a more or less stable model of welfare capitalism, the ‘Nordic model’, which occupies a special place in international welfare research. The ‘Nordic model’ is typically described as an outlier, distinguished by greater equality than any other model. This legacy has evolved over decades through the diffusion of policies and institutions within the region, with Sweden at the forefront, Denmark and Norway not far behind, and Finland a ‘late developer’ (Arter 2008). Although the timing has varied, all four countries have introduced welfare reforms in the aftermath of economic growth. It is also increasingly recognised that welfare entitlements and policy structures form part of the basis for sustained growth.

At least four welfare-state principles lie behind the ‘Nordic model’. The first one, universalism, implies that welfare is a civic right: access to basic social security does not rely on labour-market position, although some entitlements are based on earnings. The second principle involves an effort to minimize market-dependency: welfare is provided primarily through public engagement, and covers social security, social services, health, education and, to some extent, housing. Most schemes are designed to

enhance equality of opportunity or equality of outcome, hence equality is the third principle. Finally, solidarity, is the ‘glue’ that holds the model together: risk-pooling and redistribution depend, in the end, on mutual attachment between individuals and groups.

The relevance of this model is partly confirmed in the country reports. A major achievement, which the summary measures reveal, is a level of poverty in the Nordic countries that is far below the OECD average. More detailed analyses document a massive redistributive effect through taxes and transfers, much larger than in Southern and Central Europe. Taxes and transfers also play a crucial role in the general distribution of income. Income statistics, however, are no longer a dazzling showcase for the Nordic model. Net income inequality (after taxes and transfers) has been rising in fits and starts in Finland, Norway and Sweden. The changes are mainly concentrated at the top of the distribution, but also to some extent (Finland) at the lower end. According to some research results, the growing inequality is linked to industrial change, both the loss of manufacturing industries and the expansion of advanced business services.

The redistributive impact of the Nordic model is particularly pronounced among single parents and couples with children. These groups have access to a number of benefits (child allowances, benefit to single parents, parental leave) and services (child care, day care for schoolchildren, health care) that put them in a better position than similar groups in Southern and Central Europe. There is nevertheless a high poverty rate among single parents, particularly in Sweden and Finland. Pensioner poverty, which used to

be a major problem, has declined sharply in all four countries.

Redistribution of income occurs not only through taxes and transfers, but also through labour relations and labour-market institutions. The salaries of highly skilled middle-class workers are held down, whereas the wages of the lower paid are raised, all in the name of solidarity. In-work poverty is thus a minor problem in the Nordic countries, although it varies by age and gender.

The labour market and the welfare state are complementary parts of the Nordic model. This is seen most clearly in the protracted effort to raise levels of female employment. There is a close connection between the growth in welfare (both services and benefits) and female entry into the workforce. In 1990 all the Nordic countries stood out in international employment statistics, with female participation rates of above 65 per cent. The economic recession in the early 1990s brought a change, however. Female employment fell dramatically in Finland and Sweden, and has remained at a lower level in Sweden. The recession had less of an effect in Denmark and Norway, which had regained their economic strength by the end of the decade. Both countries have now surpassed Sweden in terms of female employment.

Economic downturn is a recurrent experience in the Nordic countries. The large-scale crisis in the 1990s was preceded by industrial decline in the 1970s and 1980s, and succeeded by the dot-com collapse in 2000 and the current financial crisis. These historic events and trends consistently reflect the open character of the Nordic countries, although the individual responses have been different. Denmark preceded the others in the introduction of liberal economic policies, and faced a high level of unemployment for more than a decade. Finland and Sweden took a similar course later, particularly in terms of labour-

market policy. Norway has joined the others in the move towards active labour-market policies (the 'work line'), but not in the move towards welfare cuts. Norway is thus an idiosyncratic case. Abundant oil and gas revenues have made it possible to maintain or even expand the scope of transfer programmes and services, which to some extent has enabled the country to offset expanding unemployment.

Finland, too, has diverged from its Nordic neighbours. Successful export performance in the 1980s laid the foundation for a rapid expansion in welfare provision. As the Soviet Union was its main trading partner, however, everything changed in 1990-91. The collapse of the Soviet market sent Finland into the deepest recession in its history. A sharp decline in GDP was followed by escalating unemployment, welfare cuts and a collapsing banking sector. A strong focus on research and development, and subsequent growth in advanced services, helped the country out of the slump. Some of the problems remain, however. Current challenges include public debt, persistent high unemployment and new pockets of inequality.

Economic developments, including globalisation, have affected welfare policies in the Nordic countries. The basic structure of the welfare model nevertheless remains intact. This model derives its legitimacy from both mass and elite levels. However, it rests on a shakier basis than previously. The most critical factor, perhaps, is a tendency towards fragmentation of labour-market interests. The expanding industries tend to rely on individual contracts rather than collective agreements and general rules, which makes it difficult to enforce a floor on wages throughout the economy. In other words, the growth of income inequality in Finland, Norway and Sweden is not merely a question of distributive policy.

Current research indicates that growing, or a heightened level of wage inequality, has a 're-

sidual' form: there is higher inequality among workers with similar characteristics (gender, age and education, for example). Rising inequality does not, apparently, imply an expanding gender gap. There remain gender differences, but they have narrowed during the current stage of economic and political integration. Occupational segregation is a much more persistent problem: a large proportion of women end up in female-dominated industries and occupations.

The Nordic model can be seen as a platform, or a general orientation. It refers to the way welfare is produced at the intersection between state, market and households. In more explicit terms, there is no Nordic model in housing or regional policy. There are also differences in the construction and relevance of different programmes: social assistance has been of higher significance in Finland than in Denmark, Norway and Sweden; absence from work due to sickness has been consistently higher in Norway and Sweden than in Denmark and Finland; the provision of child care lags behind in Finland, and employers make a larger financial contribution in Finland and Sweden than in Denmark and Norway.

Details such as these may have a bearing on ethnic segregation in the individual countries. The bigger comparative picture is more difficult to determine. Looking at several conditions (employment/unemployment, poverty, inequality, welfare provision), and counting two decades, a split pattern emerges: the opportunity to combat ethnic segregation has been better in Denmark and Norway than in Finland and Sweden. Denmark, on the other hand, was worse off than Norway and Sweden in the 1980s.

2. The significance of housing policies for immigrants' housing options

*Hans Skifter Andersen
Danish Building Research
Institute, Aalborg University*

The analyses of housing policies and markets in the Nordic countries reveal considerable differences in the position of immigrants in the housing market. In Norway immigrants tend to live in owner-occupied dwellings or in private rental accommodation, whereas in Denmark and Finland they are concentrated in social housing, and especially in Denmark are seldom owner occupiers. Immigrants are more evenly spread in Sweden, but a large proportion are in rental accommodation. Compared to the whole population, the distribution of immigrants in terms of housing tenure is the most uneven in Denmark and Finland, and the least uneven in Norway.

An overview of housing policies and conditions

The differences in housing conditions can be ascribed to the differences in the housing markets in the different countries, and in the policies that have shaped and regulated these markets.

Sweden was among the first of the Nordic countries to stress housing as a social good, with equal opportunities for everyone. However, subsidies have been successively abolished since the beginning of the 1990s, and what is left has changed from production support to consumption support. The Swedish housing market has also been deregulated. Norway, on the other hand, has shown a strong political preference for owner occupation in the form of home ownership or housing co-operatives. The housing policy has thus been to support lower-income groups and in particular first-time buyers to acquire property, whereas the social housing sector is very

restricted. Housing in Denmark is split between owner occupation among the more well-to-do and rental accommodation. Even if social housing is available to all income groups, the proportion of occupants with lower incomes is high and increasing. The Finnish housing policy has catered to the needs of the weaker groups in society to a greater extent than the Danish and Swedish policies.

The variation in housing policy over the years has contributed to the differences in housing systems. Sweden has the lowest rate of owner occupation followed by Denmark; Norway and Finland have the highest ownership of detached property; Sweden and Denmark have the largest rental sectors and the largest social and public housing, respectively; Norway has the smallest rental sector, and a very small proportion of social rental accommodation. The proportion of private rental accommodation in the four countries varies between 13 and 20 per cent.

Norway has the relatively smallest housing supply measured as the number of dwellings per 1,000 inhabitants. One explanation for this could be the heavy prioritisation of owner occupation, which some population groups cannot afford. Is the lower Norwegian supply a result of the very limited support for social housing? In terms of the number of rooms per inhabitant, however, Norway has the same coverage as Denmark and Finland, which is attributable to the fact that more Norwegian dwellings have four rooms or more. Finland has more small dwellings. Sweden has the largest number of rooms per inhabitant, mostly because of a larger stock of dwellings.

Housing costs and subsidies

As a result of differences in prices and rents the share of consumption expenditures used for housing also varies between the countries. Be-

fore subsidies the highest proportion of household disposable income goes to housing in Denmark and Sweden, the lowest in Norway, with Finland in between.

Net housing costs are influenced by the amount of subsidies used to support consumption and production. Denmark and Sweden have had higher subsidy levels than Norway and Finland, although there are big differences in the kinds of subsidies that are given. Individual housing benefits are very small in Norway, and at a higher and similar level in the other three countries. Production support is also quite low in Norway, at its highest in Denmark and in Sweden, and somewhere in between in Finland. Finally, tax subsidies are by far the most prominent mechanism in Norway, and the least prominent in Finland, where the main mechanism at the state budget level is individual housing benefit, followed by tax-deductible interest on housing loans.

The subsidies given in the countries also vary concerning what tenures are supported and the degree of means tests that is if there are conditions for getting support concerning housing need and income. To what extent subsidies reach the poor or are spread out between all income levels is much dependent on means test and on what tenures are supported. If the housing market is segmented it is important if tenures for the poor are supported more than tenures for the rich.

According to Eurostat (EU-SILC) survey data on the extent to which people find housing costs a financial burden, net housing costs are the most burdensome in Finland, followed by Sweden and Norway, whereas 75 per cent of the Danish respondents felt that they were not a burden. Thus, despite the high costs, especially for owner-occupied housing, the subsidy system has reduced the net costs so much that only a few people feel financially stretched. Rent control also plays a role here.

Determinants of immigrants' opportunities on the housing market

Income is the most influential factor governing the choice of housing type. Many immigrants belong to low-income groups, which limits their opportunities on the housing market. Moreover, it has been shown in several studies that they often lack good contacts with landlords and have difficulties finding out how the housing market works. They are also exposed to discrimination in housing, indirectly when access is determined by administrative rules, and directly when it is determined by discretion. The large differences in regulation and support for different types of tenure in the four countries affect immigrants' access to housing.

Social and public housing

Immigrant access to social housing is determined by general rules covering the allocation of vacant dwellings and the amount of housing at the disposal of the local authorities to allocate to low-income groups.

Access to social housing has been very easy in Denmark. Moreover, local authorities are, in principle, obliged to provide housing for people who are homeless, including refugees, and this accounts for over 25 per cent of all vacant dwellings. However, access has become more difficult in recent years following the introduction of new allocation rules on estates where many immigrants already reside. Sweden also has an open allocation system based on waiting lists, but some housing companies apply different criteria. Access in Finland is based on urgent housing needs. Availability is very limited in Norway, and access is based on very strict criteria concerning acute housing needs in combination with waiting lists. On account of the problems immigrants face in the housing market, they are

overrepresented in municipal housing.

In principle, social housing in Denmark is affordable to everyone because of the cost-related setting of rents combined with supply subsidies and housing benefits. However, the recent reductions in welfare benefits for newly arrived immigrants have made it very difficult for this group to survive financially. Rent setting and subsidies also make it affordable to live in social housing in Finland. However, the decentralisation of rent setting in Denmark, Finland and Norway means that rents vary very much between housing estates, and some may be less affordable. In Sweden the 'semi-privatisation' of social housing may lead to higher rents and a little less affordability. A higher correlation between rental levels and housing quality is to be expected in Sweden than in Denmark and Finland. The municipalities' autonomy in setting rents for social housing in Norway has resulted in market prices in the Oslo metropolitan area, where tenants are dependent on housing allowances, often combined with social allowances.

In 2010, the Swedish Government presented a bill that will alter the role of public housing. The social dimension will probably be strengthened, and at the same time the current rent-setting system will be abolished. Rents will be closer to market levels, and public housing will be more in line with social housing.

Private renting

Access and affordability may vary in the private rental sector depending on the extent of regulation. Rent control results in lower rents, but at the same time produces queues that are not to the advantage of immigrants.

The strong rent control in large parts of the Danish market tends to limit immigrants' access to rental accommodation, because most immi-

grants lack contacts with landlords, and some landlords are reluctant to let to immigrants. There is no longer any rent control in Norway. The market is dominated by small private landlords with one or two properties, who tend to avoid taking immigrants as tenants. However, the number of professional rental agencies is increasing in Oslo and some other urban areas. These organisations offer a variety of accommodation, which is available to immigrants. The private rental sector is the only option for newly arrived immigrants who cannot afford to buy a house or a co-operative dwelling. Finland has also abolished rent control, and the increasingly professionalised private rental sector based on allocation by market mechanisms should guarantee immigrants' access if they can pay the rent. Sweden still has some rent regulation, which may well be abolished in the near future. In some municipalities private landlords can join a central housing allocation service, but they are not obliged to so personal contacts with landlords are important. There is evidence of discrimination against immigrants.

Rent regulation in Denmark and Sweden keeps the level of rents below the market rate. This applies especially to Denmark, but rents vary and are very low in some areas and very high in others. Rents in Sweden are below the market level, particularly in attractive inner city areas.

Co-operative housing

Co-operatives in Denmark differ very much from those in Sweden and Norway, and they are rare in Finland. Access to Danish co-operatives has been very difficult for immigrants because of the strict price control and the allocation power of the boards, which prioritise family and friends. Prices have risen in recent years, in some places up to the market level, which in principle should make

it easier for immigrants who can pay the prices. Access to co-operatives in Norway is based on the market, combined with seniority. Applicants have to be formally accepted by the boards, but there is not much scope for discrimination. Allocation is market-based in Sweden.

All four countries give residents in co-operative dwellings tax relief on the interest payable for personal loans, but only Norway gives general production support and direct support for special groups to buy co-operative dwellings. Finland, Norway and Sweden also provide housing benefits based on general principles, whereas Denmark only supports pensioners. On the other hand, the lower prices for co-operatives in Denmark have made them more affordable.

Owner-occupied housing

Access to owner-occupied housing in all four countries is free and based on market forces. Affordability depends on property prices, finance systems, tax support, supply support and location. Denmark has an efficient financing system, and has kept interest rates low for the last ten years. Loans with delayed amortisation were introduced in 2004, but prices soared as a result. Norway is the only country with supply support and means-tested financial support for owner occupiers, although Finland has special support for first-time buyers. Norway and Sweden provide individual housing benefits to those in owner-occupied housing. All countries give tax benefits, which are higher in Norway than in the other countries, and the lowest in Finland.

3. The development of immigration

*Saara Yousfi
Department of Geosciences and
Geography, University of Helsinki*

The immigration policy of a state has a strong impact on its demography, culture, economy and politics. The primary focus is on control, in other words rules and procedures governing the selection and admission of foreign citizens. Integration is sometimes seen as one aspect of the policy, and could indeed affect the conditions of arriving and residing immigrants, as well as the number and composition of immigrants migrating to a particular country. Work and housing conditions, welfare provisions and educational opportunities are also essential parts of the welfare state that affect and are affected by immigration and integration policy.

There are both similarities and differences in immigration selectivity across the Nordic countries. The composition of country-specific migration flows is closely linked to three main factors. First of all, historical ties and geographic proximity have shaped much of the migration exchange, and both cultural values and language issues have made a difference. Secondly, the presence of economic push and pull factors, shaped by uneven economic development, and differences in industrialisation and urbanisation processes, have resulted in varying demand for labour in the four countries over time. Thirdly, geopolitical realities have had a major impact on immigration policies, which in turn have fostered different views on refugee immigration in particular.

Sweden maintained a policy of neutrality during the Second World War, while Denmark, Norway and Finland were involved in it. This was one basic reason why migration to Sweden started at that time as the country took in substantial numbers of refugees during and after the

war. The effects of the war were felt long after the peace treaties were signed. This was the case in Finland in particular, where the cautious foreign policy led to a reluctance to admit immigrants en masse, and until the end of the 1980s, only small numbers were accepted and given permission to stay. Sweden, Norway and Denmark, in contrast, welcomed immigrant labour. Norway and Denmark joined NATO at the beginning of 1949, whereas Sweden and Finland kept their neutrality. Nevertheless, all four countries developed similar types of social-democratic welfare state during the 1950s and 1960s, and maintained close relationships despite differences in their geopolitical positions.

Even though migration has been a worldwide phenomenon for many centuries, the Nordic countries were still ethnically homogenous in the 1940s. As elsewhere in Europe, the Second World War put people on the move (King 1993). Although remaining neutral, Sweden supported the other countries involved in their survival and recovery by helping and receiving refugees, for example. Soon after the war, major decisions were made to establish a free movement area within the Nordic region.

The Nordic countries have enthusiastically supported the international community in finding common solutions to international problems. They have all ratified and implemented the 1951 United Nations Convention related to the status of refugees, and the 1967 Protocol, and have long traditions of involvement in international refugee protection schemes.

Immigration in the four countries was mostly intra-Nordic until labour demand rapidly increased in the 1960s bringing substantial numbers of labour migrants to Sweden, Denmark and Norway. Increases in demand and business opportunities led firms to actively search for labour, and it was easy for foreigners to get permission to come and search for work. Labour migration

was mainly from various parts of Europe, including Turkey. Although this labour-driven policy ended in the 1970s, refugee and family-related immigration brought even bigger numbers of immigrants, including non-Europeans. It was different in Finland, mostly due to the country's late industrialisation and urbanisation. Unlike its Nordic neighbours, the country suffered from an oversupply of labour, and for many decades delivered substantial numbers of emigrants, in particular to Sweden. Finnish-Swedish migration peaked around 1970.

The 1980s was a period of refugee migration, and Sweden, Denmark and Norway took in substantial numbers from third-world countries. A new era started in 1989-91 with the raising of the iron curtain and the disintegration of the Soviet Union. The influx of immigrants from Eastern Europe started to make an imprint in Finland, too. At the time, because of the international and economic climate, Finland also felt obliged to open up its borders to foreign migration. By then, post-war migration had led to the introduction of immigration and integration laws and practices in the other Nordic countries, but in Finland the decisions were very much ad hoc. The number of arriving immigrants was still small in relation to the other Nordic countries in the early

1990s, but large in relation to earlier immigrant numbers. However, the economic recession that followed was challenging in terms of immigrant integration and welfare-state procedures. Labour migration increased in all of the Nordic countries in the early 2000s, not least because of the new immigration regulations. The enlargement of the European Union in 2004-2007 heralded yet another era with the expansion of the movement region and the subsequent effects on family reunification.

The numbers of immigrants have grown in the last ten years, 1999-2009, with a 105-per-cent increase in Sweden, an 81-per-cent increase in Finland, and a 56-per-cent increase in Norway. Denmark introduced new tougher regulations in 2001, which led to a reduction in immigrants in 2001-2003, but there was still a 34-per-cent increase in 2009 compared with 1999. In terms of numbers, the strongest immigrant flow was to Sweden, which received more than 100,000 immigrants in both 2008 and 2009 although on the per-capita level the flows into Norway and Denmark were of a similar or even bigger volume. Figure 1 depicts the historical trends in immigration to the Nordic countries from the 1950s until 2009 (see Table 1 in the Appendix for a more detailed timeline).

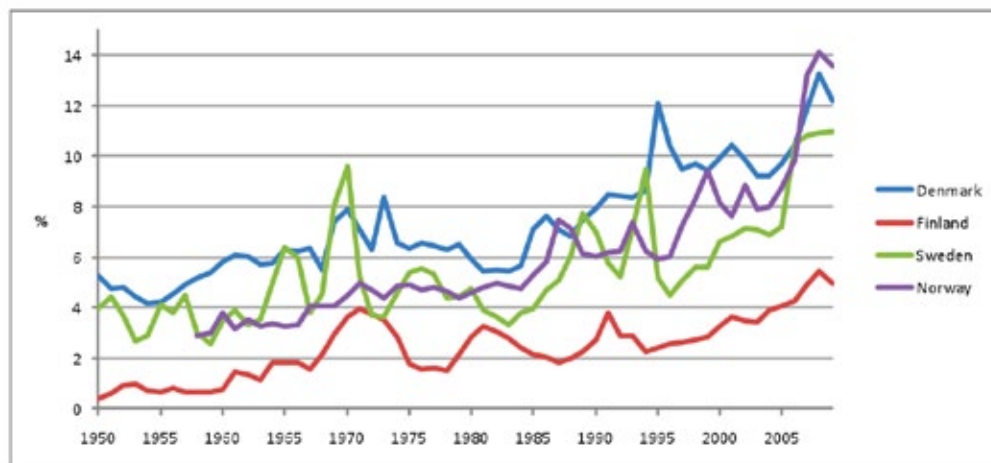


Figure 1. Immigration to the Nordic countries in 1950-2009 per 1,000 inhabitants (Statistics Denmark, Statistics Finland, Statistics Norway, Statistics Sweden)

Table 1. Proportion of residents of foreign origin in the Nordic countries, 1.1.2010 (Statistics Denmark, Statistics Finland, Statistics Norway, Statistics Sweden)

	Denmark	Finland	Norway	Sweden
Born outside the country	9.8	4.4	10.8	14.3
Born outside the EU	7.3	2.8	7.3	9.2
Total proportion of non-nationals	6	2.9	6.9	6.5
Non-EU nationals	3.9	1.9	3.8	3.6

Nowadays, the majority of immigrants originate from other Nordic and EU countries, even though the numbers coming from outside the EU have increased. Free movement in Europe has affected the Nordic countries since they joined the European Community (Denmark in 1972) or the European Economic Area (Finland, Norway and Sweden in 1994, with Finland and Sweden acceding to the European Union in 1995). The main change has been in the proportion of immigrants from other European countries, particularly Eastern Europe. An increase in the numbers of refugees continues to be the dominating pattern in Sweden. According to the respective national statistics, the proportion of the population of foreign-origin is highest in Sweden at 14 per cent, almost the same in Norway and in Denmark at around 10 or 11 per cent, and lowest in Finland at slightly over four per cent (Table 1).

The origins of the immigrants differ somewhat in the four countries. Turks constitute the largest group in Denmark followed by Germans,

Iraqis and Poles. The biggest groups in Finland are Russians and Estonians, followed by Somalis, whereas in terms of net migration to Norway, the biggest come from Poland, Germany, Pakistan and Iraq. Immigrants from Bosnia and Iraq have dominated the influx in Sweden since 1990. Of the immigrant stock, about 300,000 originate in western Asia, including Turkey and northern Africa, about 300,000 were born in Eastern European countries, and around 270,000 were born in the neighbouring Nordic countries.

The reasons for migration correlate strongly with the countries of origin. With the exception of Sweden, labour migration within the EU 25 is now a dominating feature, representing 48 per cent of the total migration from non-Nordic countries in 2008 in Norway, for example (Figure 2).

How immigrants perform on the labour market is one of the fundamental questions related to integration. Employment and earnings are mostly used as measures of performance. Earnings

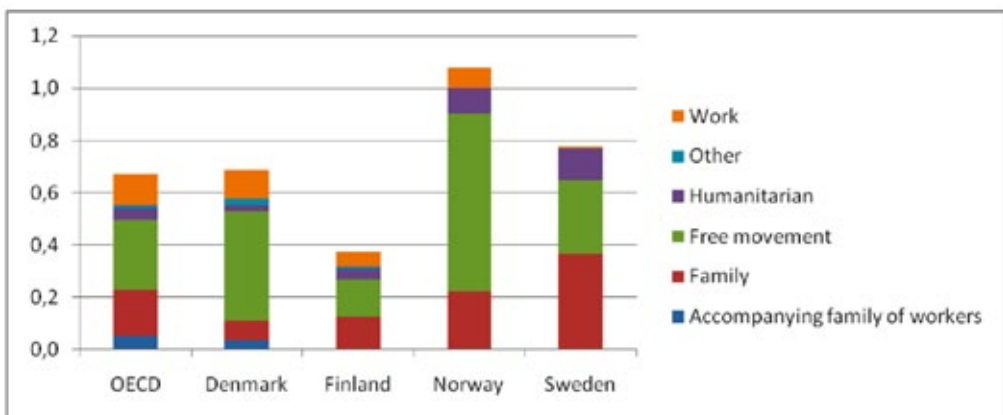


Figure 2. Permanent migration by category of entry in 2008, percentage of the total population (OECD 2010)

alone do not reflect the success of migration, but they do correlate with occupational outcomes and directly affect housing options. Immigrants are at a higher risk of poverty in all the Nordic countries although the level of risk depends to some extent on the time since arrival and the reason for immigration. The country of origin as well as the immigration policy at the time of entry have also been found to influence the distribution of immigrants on the labour market as well as their relative economic success.

4. Becoming multiethnic - integration and settlement policies

*Susanne Søholt
Norwegian Institute for Urban
and Regional Research*

Immigration and integration policies are strongly interconnected in the four Nordic countries. It is claimed that a too generous immigration policy challenges the sustainability of the Nordic universal welfare state. The somewhat differing national political discourses have produced different immigration and integration policies over the years (see the Appendix, Table 2 for a more detailed description of policy changes). Denmark, for example, introduced a strict immigration policy, followed by a strict integration policy, measures that should not attract new immigrants. Norway is also moving towards a more restrictive immigration policy, albeit in combination with a more generous integration policy. Sweden still has the most generous immigration policies.

The national debates have vacillated between economic and humanitarian arguments in the process of determining what type of multiethnic society to strive for. The issue nowadays, as it was when a halt on immigration was called in the mid-1970s, concerns how many and what kinds of immigrants can be brought in and integrated into the Nordic welfare states. Successful integration and inclusion imply immigration and integration regimes that do not threaten social cohesion or economic sustainability. Regardless of the political standpoints, immigrants should become active participants in working life with a view to economic independence, gaining self-respect and sharing responsibilities. To this end, Denmark is attempting to shift the mix by facilitating labour-market-oriented immigration and restricting entry among other groups, such as family reunification and quota refugees. In terms

of family reunification, both Denmark and Norway have set a minimum age and demand documented evidence of being able to support the new family. Denmark has recently introduced a points system and Norway requires satisfactory accommodation arrangements. Danish employers are given financial incentives to take on immigrants, and Sweden also has various schemes to encourage employers in this regard. By way of a work incentive, immigrants in Denmark receive less generous social allowance than native Danes.

Integration or assimilation?

A recurrent question in the political debate concerns the preferred type of multiethnic society. In what ways should immigrants be assimilated or integrated? Sweden and Norway took the first steps towards multiculturalism in the 1970s allowing immigrants to choose whether to be assimilated into the national population or to maintain and develop their own language, religion and cultural affiliation. Later, Finland followed suit. However, waves of intensive debates on immigration and integration have changed the political climate in all four countries. The result is a more explicit policy that supports diversity and the inclusion of individuals rather than ethnic groups or communities. Values concerning gender equality and the rights of children remain non-negotiable.

The characterisation of policy in terms of ideals helps in distinguishing the different and crossing trajectories in the Nordic countries. As mentioned, Sweden and Norway used to lean towards multiculturalism, with the active recognition of various ethnic subgroups. Later reforms have put Sweden on the path to civic integration, with no recognition of sub-groups. Denmark is moving towards ethnic assimilation and the primacy of ethnos (majority) over demos, also with no recognition of sub-groups. Current policies in

Norway and Finland have elements of civic integration, multiculturalism and ethnic assimilation. However, Norway, Sweden and Finland have recognised a special status to indigenous people and national minority groups, among others the Sami people, the Rom and Romani people, Jews, persons of Finnish decent in northern Sweden and Norway and persons of Swedish decent in Finland. In Denmark, the German minority in the South is considered a national ethnic minority.

Introduction programmes – social engineering to support integration

All four countries have developed some type of introduction programme in order to speed up the integration of refugees into education and the labour market. Finland includes unemployed recently arrived immigrants in the target group, the objective being to give them support and the means to become financially independent. The programmes last between 18 and 36 months, or less if the person in question becomes self-supporting. All programme participants receive some kind of financial support. There has been a change in Sweden and Norway from needs-based support (social allowance) to a fixed allowance that is the same for everyone. The intention being to align the terms of this support with ordinary incomes. The objective is to encourage those in the introduction programme to earn more money without losing any of their allowance. These programmes are voluntary for refugees in Sweden, whereas in the other countries participation is obligatory for members of the target group in need of financial support. The state reimburses the municipalities the costs they incur in running the programmes, thus motivating them to develop good introduction programmes and procedures and to settle refugees.

The real test of the programme is whether it gives refugees and recently arrived immigrants access to the labour market. Swedish studies have

indicated that the compulsory refugee-dispersal policy practised in 1985-1994 was counterproductive in terms of labour-market integration. In Norway, however, there has been a modest increase in employment among settled refugees who participated in the first programmes. Whether this is attributable to the programme, the refugees' origin or the time of settlement is uncertain. Given the strong connection between labour participation and moving up the housing ladder, we hope to provide up-to-date information on this decisive question later in the NODES project.

Settlement policies

The introduction and settlement of refugees are part of the same programme in Norway and Sweden although unlike Norway, Sweden allows refugees to settle anywhere provided that they are able to find accommodation on their own. The main principle in all four countries is to distribute and settle refugees in municipalities according to an annually agreed state-municipal placement scheme. Refugees settling in Denmark, Norway and Finland have little or no choice of where to live, and in Denmark they are obliged to stay in the same place for the first three years. In principle, those arriving in Sweden, Finland and Norway are free to settle where they wish, but they would have to find their own accommodation. In Norway the main requirement is to be financially independent and in no need of the introduction support. Sweden gives refugees the most freedom in terms of where to settle, and after three months they become the responsibility of the municipality in which they live. Municipalities in Denmark are obliged to settle refugees in accordance with a regional quota system, whereas in Norway and Finland municipalities are still autonomous in this regard.

Citizenship

There are similarities and differences in citizenship requirements in the Nordic countries. The similarities concern having a confirmed identity and a current residence permit, being at least 18 years of age, and having no criminal record. Denmark also requires applicants to be able to provide for themselves. The required period of residence before applying for citizenship is shortest in Sweden with five years for immigrants and four years for refugees, whereas in Denmark the demand is nine and eight years, respectively, without a break. With regard to children, the principle of decency operates in all four countries, meaning that the citizenship of the parents determines the citizenship of the children.

The main differences in citizenship requirements relate to tests and ceremonies. Sweden makes no demands. Norway requires tests or documented training on social issues and language, whereas in Denmark it is necessary to pass the tests. Finland only requires satisfactory performance in language tests. The Danish tests are so difficult that the number of successful applications has decreased. Denmark also requires a vow of allegiance and loyalty, whereas Norway offers a voluntary ceremony. Sweden and Finland generally allow dual citizenship, whereas Denmark and Norway do not.

Acquisition of citizenship varies among the four countries. Denmark and Sweden experienced a decrease in absolute terms between 1998 and 2008, whereas there was an increase in Finland, and to a lesser degree in Norway. In relation to the resident population, Sweden and Norway are both accepting a higher number of citizenship applications per inhabitant than Finland and Denmark. In 2008, Sweden was top of the EU 27, with Norway just behind, whereas both Finland and Denmark were below the EU average. Sweden was also the country granting

the highest number of new citizenships in relation to the size of the resident foreign population.¹

Immigration and integration policies help to contextualise the dynamics between the Nordic welfare states and ethnic residential segregation and desegregation. How this works will be further studied within the NODES project.

5. Migration flows and settlement patterns

Roger Andersson
Institute for Housing and Urban
Research, Uppsala University

A characteristic of all the Nordic countries except Denmark is a low overall population density. For a long time there have been regional policies in place in order to counteract this structural feature, in other words to assist regions that experience de-population. The direction of internal migration has been mainly from rural and peripheral areas to bigger cities, in particular to the capital regions. It is not surprising that immigration has followed the same basic pattern.

“At the regional level, the capital areas and major cities have been most attractive destinations for immigrants to the Nordic countries. The concentration of immigration to the same cities where the native population is moving in the country-internal migration process thus accelerated the urbanisation process.” (Eðvarðsson et al. 2007)

As Eðvarðsson et al. point out in their study of immigration and settlement changes between 1988 and 2004, immigrants to the Nordic countries follow the general historical and international tendency in that they are pro-urban and are concentrated in metropolitan areas. Indeed, they are twice more likely to settle in the Nordic capitals than elsewhere in the four countries.

The country reports reveal considerable differences in both the regional and local distribution of minorities. The relative concentration in the capital area is very high among particular immigrant categories and lower in other, which has something to do with the migration period, the reasons for the migration and the immigrant placement policies in force. In Finland, for example, 82 per cent of the Somali speakers reside in the Helsinki metropolitan area, compared with

¹ Eurostat Statistics in focus. 36/2010.

only 41 per cent of the Russian-speaking population. Moreover, Stockholm County in Sweden houses over 60 per cent of all immigrants born in Peru and Eritrea, 50 per cent or more of those born in Turkey, Greece, Chile, Morocco and Ethiopia, but only around 10 per cent of those born in Vietnam, Bosnia and other parts of the former Yugoslavia.

Some of the immigration-related policy measures, especially that concerning refugee dispersal, should be seen from a double perspective: the aim is to support regional policy and also to avoid further spatial concentration (segregation) of minorities in the capital area and in other major cities. All four countries indeed pursue active dispersal policies involving various degrees of compulsion (little room for choice for the individual asylum seeker or refugee, or even for the municipality), which have, indeed, contributed to making most municipalities in the Nordic countries more multicultural. As expected, secondary migration has been the subject of discussion, especially in Norway and Sweden. The typical pattern is for refugees, who are settled in the northern sparsely populated areas of Scandinavia, to relocate to cities further south within a year or two.

Immigrants show higher rates of geographical mobility than the native Nordic residents. This is attributable to the differences in age distribution (the most recent arrivals – like internal migrants – are at their most mobile at between 20 and 35 years of age), and also the fact that the housing they are allocated during their first years in the new country does not suit their needs.

The numbers of immigrants differ quite a lot across the Nordic countries, being the highest in Sweden and the lowest in Finland. Nevertheless, residential segregation is a hot political topic in them all, especially in the larger cities. Sweden and Denmark have substantial numbers of immigrants living in large housing estates built in the

1960s and 1970s, but Finland (Helsinki) has no such large concentrations: one might perhaps refer to a mosaic of emerging multi-ethnic places in the Finnish case (some of these are also relatively new, built in the 1980s and 1990s). The most immigrant-dense city district in Norway, built in the 1980s, has a mix of detached housing and low apartment blocks. The debate on ethnic residential segregation has triggered policy reactions that reveal both similarities and differences across the four countries. Finland generally emphasises a housing mix as a way of combating segregation, including ethnic residential segregation, and Sweden has launched state-led area-based urban programmes aimed at breaking down segregation and improving levels of integration in immigrant-dense neighbourhoods. Similar interventions have been launched in Denmark, and to some extent, in Norway. There are clear differences in rhetoric, however: Danish politicians talk about “ghettos” and “ghetto plans”, but this type of vocabulary is never used in Sweden or Norway. Some politicians – and the media – in Finland use the term ghetto in the sense of a threat that should be avoided. Civil servants and other city officials do not use this kind of rhetoric in their official programmes.

It is often the case that minority residents who cluster – or are forced to cluster – in particular city areas are also poorly integrated in terms of labour-market participation. There is an ethnic hierarchy in that “non-Western” immigrants are less well-off than other immigrants and much less well-off than the native workforce. It is also precisely these groups that are geographically concentrated in immigrant-dense housing estates. There are exceptions, however: the Tamils in Oslo are well integrated in terms of education, work and income, and at the same time score highly on segregation measures.

Poor immigrant households in Denmark, Finland and Sweden are concentrated not on-

ly in particular places and neighbourhoods but also in particular housing-market segments (social/public housing). There may, of course, be a causal relationship in the sense that social/public housing is the only option for many immigrants, although far from all neighbourhoods with high concentrations of social housing have high numbers of immigrants. There is also evidence of an ethnic hierarchy and distinct patterns of residential segregation in Norway, with its distinctly different housing market and high level of owner-occupation.

Neighbourhoods and city districts heavily dominated by native residents are typical features of all four areas. Earlier research has been preoccupied with understanding the sorting processes from the perspective of ethnic minorities and their behaviour. We hope in the future to give a more complete picture of the causalities related to segregation in studies focusing not only on minority housing careers but also on the migratory behaviour of majority residents. It has been shown on the international level, and confirmed for Sweden, that phenomena such as “white flight”, and “white avoidance”, together with blocking strategies exercised by majority residents and institutions, may have a profound impact on patterns of ethnic residential segregation.

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Appendix 1

Main changes in immigration policies		Main changes in immigration policies	
Denmark	Finland	Norway	Sweden
WW II			WW II
1950			Second world war: restrictions on immigration but increasing willingness towards the end of the war to accept refugees from neighbouring countries 1945 The Bernadotte action, an attempt to rescue people from the refugee camps 1950 Start of Sweden's reception of quota refugees, based on UN refugee protection policies 1954 Sweden signs the Geneva Convention
1954	1954 The common Nordic labor market act activated emigration to Sweden	1951 subscribed to the UN Convention on refugees 1953 The Norwegian Refugee Council 1954 Common labour market in the Nordic countries, except for Troms and Finnmark (to avoid Finns, of security reasons)	1954 The common Nordic labor market act
1960	1968 Finland signs the Geneva Convention on refugees	1967 UN additional rules Free immigration until 31.12.1969, open borders.	1967 Sweden signs the New York Protocol (regulating the legal status of refugees)
1970	1970s Ad hoc decisions on reception of small numbers of Chilean and Vietnamese refugees	From 1.1.1970, working contract necessary before entry. Then had to document a place to stay. Temporary immigration stop from 1.2. 1975 for workers, later made permanent from 1981. Family reunification was open. Exemptions for qualified workers after application. Still ruling for people outside the EU.	1972 Regulated labour immigration policy ends; since then refugee immigration and family reunion immigration dominate the influx
1983	1983 the right for family reunification	1984 New legislation regulating immigration	
1980	1986 the start of refugee policy, definition of quota refugees number at 100 1989 Accession to Council of Europe 1989 definition of quota refugees annual number at 500	1980s: Immigrants residing in Norway had to be able to support and house family members coming for family unification. The housing claim was not followed up. There were exemptions also for the claim to support.	1980

Main changes in immigration policies		Main changes in immigration policies	
Denmark		Finland	
1990	1992 rules of family reunification was tightened, minimum 5 years prior in Denmark	1990 European Agreement on human rights 1990 Invitation of Ingran Finns without special legislation Around 1991, "Opening" of Eastern border after disintegration of Soviet Union 1991 New Act on aliens defining regulations on immigration, and immigrants' right to work; several amendments to the Act throughout the 1990s 1995 Finland joined European Union; free movement of people within the EU countries 1996 Immigration legislation to define the immigration of returnees 1997 framework policy on immigration and refugee reception 2001 definition of quota refugees annual number at 750	Sweden 1995 Sweden becomes member of the European Union (opens up for free movements of people within the union)
1990	2001 new government. Dansk Folkeparti, family reunification tightened: minimum 24 years old, greater affiliation of family guides the direction where to join them, minimum income 2002 green card arrangements 2004-2008 restrictions regarding EU enlargement	2004-2006: EU enlargement, restrictions for the immigration and right to work for the citizens of new member states 2006 New immigration Policy Program, goals for labour market policy first time consonant	2005 Eastern European countries enter the EU; Sweden decides not to impose transitional regulation on free movement of labour from these countries
2000	2007 everyone providing to get minimum income are made possible to come 2007 introduced 6 month residence permit for immigrants to seek employment 2008 possible to Danish firms to recruit labour from abroad, income limit reduced, green card extended	2009 Hosting agreement system for researchers from outside EU or EEA	2000 2008 The Swedish regulation on labour migration from non-EU countries is reformed, opens up for larger volumes of labour migrants

Main immigration waves		Main immigration waves	
Denmark	Finland	Norway	Sweden
WW II	WW II, Child refugees to Sweden and Denmark, resettlement of own people from lost area	About 680 refugee jews	1943-1945 receiving 160 000 war refugees from Estonia, Latvia, Lithuania, Denmark, Finland.
1950	Resettlement of own people from lost areas (about 10 % of population). Returning migration of child refugees. Rebuilding the nation, and reparations to Soviet Union	Refugees from the Cold War. 600 refugees from Czechoslovakia after 1948. After 1968 a 1000 new refugees arrived. 1956-57 about 1500 refugees from Hungary	Bernadotte action, influx of 34 000 refugees from concentration camps
1956	1956 received 1000 refugees from Hungary	1954 The common Nordic labor market act, activated emigration to Sweden	1950s: Emigration of some war refugees
1960s	1960s firms actively searched for labour from Italy, Portugal, Yugoslavia, Turkey, Pakistan, Morocco	1960-1970, Urbanization, economical restructuring, babyboomers at working age, remarkable emigration to Sweden.	1946-1954 constricting the common Nordic labor markets, Nordic migration period
1960	1960s firms actively searched for labour from Italy, Portugal, Yugoslavia, Turkey, Pakistan, Morocco	1970s Finland received small numbers of refugees from Chile and Vietnam	mid 1960s-1973. Immigration reforms: Nordic immigration, refugees, family reunification, collective labour recruitment. Labour immigration ended 1972.
1970	1973 economic crisis, stop for immigration	1980s: Positive netmigration, Finnish returnees, small numbers of refugees from Vietnam & other countries	1975- "multiethnic country", Non European political refugees, spontaneously arriving refugees
1980	1985 refugees	1990s: Rapid growth of immigration, Ingrian Finns, refugees & first asylum seekers, family reunifications	1980
1990	2001 diminished refugee and family reunification flows	mid 2000s: Steadily growing immigration, labour migration, family reunifications	1990s: family reunification with all kinds of immigrants
2000		mid 2000s, work related migration from Sweden and the new EU countries in Eastern Europe increased. From East Europe; first as irregular, then regular from 2004. Ups and downs in asylum-and refugee arrivals throughout 2000-2010. Top in 2009 - decrease in 2010.	2000

Appendix 2

Changes in the integration policies, instruments		Changes in the integration policies, instruments	
Denmark		Finland	
1950	1956 Dansk Flytningshjælp was organised		
1960			
1970		<p>1970s Reception of Chilean refugees on ad hoc basis with the cooperation of the Ministry of Foreign Affairs and Finnish Red Cross</p> <p>1979 Refugee Committee was established to arrange the reception and settlement of Vietnamese refugees</p>	
1980	1986 system spreading refugees to different municipalities		<p>1981 Advisory Board on refugee reception was established to plan and coordinate the principles of refugee reception</p> <p>1980s Arriving refugees (small numbers) were settled in reception centres in the cities of Helsinki, Espoo, Vantaa and Turku</p>
Sweden		Sweden	
1950	1950 to 1969: The Swedish Employment Board has the overall responsibility for monitoring labour immigration. No explicit integration policy (a combination of a guest worker and an assimilationist strategy)		
1960	1965, 1968 first formulations of immigrant/integration policy (Government-initiated investigations)		
	1966 first municipal bureau for immigrant services.		
	1969 Swedish Board of Immigration was set up. Has the responsibility for both immigration and integration issues		
	1974/75 Introduction of multiculturalism as the overriding principle for dealing with immigration/integration (Equality, Freedom of Choice, Cooperation)	<p>1971 Contact forum for foreign workers.</p> <p>1971 Organisation for foreign workers</p>	
1970	1976 home language reform (requires that schools have to offer language training in the pupils' mother tongue)	<p>1974- Debate in Parliament: Immigrants should be able to maintain their culture. That is introduction of multiculturalism as overriding principle for integration.</p> <p>1975 Secretariat for Immigration; 1976 Council for Immigrant questions</p> <p>1976-1992 - Agency for Immigrant Housing (SIBO) (State level).</p> <p>1979 - Agency for Refugee Housing</p>	
	1976 right for foreign citizens to take part in local elections		
1980	1982 The Commission on Immigrant Policy reports (residential segregation of immigrants mentioned as a problem)	<p>1983: Right to vote in local elections after 3 years stay in Norway. Citizenship necessary for national elections.</p> <p>1984-Contact forum between Norwegian authorities and immigrants.</p>	
	1984 Launching of the refugee dispersal policy as a way to avoid further geographical concentrations of recently arrived immigrants in metro areas; municipalities are given the prime responsibility for introduction and integration		

Changes in the integration policies, instruments		Changes in the integration policies, instruments	
Denmark	Finland	Norway	Sweden
1980	<p>1988 a decision to settle quota refugees directly to municipalities; municipalities are responsible to assist the settlement of new refugees</p> <p>1992 New decision on the reception of refugees and asylum seekers; spatial dispersal of refugees begins in full-scale</p> <p>1995 Finnish immigration service "Ulkomaalaisvirasto" was established</p> <p>1997 framework policy by Government on immigration and refugee reception, defining overall policy goals for immigrants' integration into Finnish society, immigrants' rights to maintain their own culture and religion complying with Finnish legislation are emphasized; aim to prevent residential segregation included in the policy</p>	<p>1988 Norwegian Directorate of Immigration, dealing with both immigration and integration.</p> <p>1992 - Decentralisation: Municipalities should include services (housing) to immigrants in their general work</p>	<p>1980</p> <p>1994 Reform of the dispersal policy, (less restrictions on settlement decisions)</p> <p>1995 The Committee on Immigrant Policy</p> <p>1997 Mainstreaming of multiculturalism (ethnic diversity should be acknowledged by all actors in society.)</p>
1990	<p>1998 quota system for counties on dispersal of refugees</p> <p>1999 first law on integration; integration contract</p>	<p>1998 National Advisory Board on Ethnic Relations</p> <p>1999 First Integration act, official nationally-led integration scheme, the right for integration plan; reinforcing the principles of maintaining one's own language and culture while integrating into Finnish society</p>	<p>1990</p> <p>1998 A new state board (Board of Integration) is set up to support and monitor integration processes in the municipalities</p> <p>1999 Launching of a State-funded urban area-based programme with the aim to break segregation (targets 24 immigrant-dense housing estates in 7 municipalities). Some programmes before 1999 and the policy continues until today but with no direct State funding after 2005.</p>
2000	<p>2001 new right-wing government, dilemma between integration and immigrant policies</p> <p>2001 tightened rules for obtaining citizenship</p>	<p>2000s Amendments to integration act</p> <p>2002 Integration assistance support was introduced to replace the former unemployment and social assistance.</p>	<p>2002 New model for settlement of refugees. Goal: that the refugee stays longer in the municipality where settled. Better planning instruments at all levels. Settlement of refugees is voluntary for the municipalities.</p> <p>1977 - 2010 Different area programs in immigrant dense urban areas to ease social participation and inclusion</p> <p>2000</p>

Changes in the integration policies, instruments		Changes in the integration policies, instruments	
Denmark	Finland	Norway	Sweden
<p>2001 separate ministry established for integration of immigrants</p> <p>2002 diminished welfare payments for immigrants, Start help introduced for all immigrants who hadn't been living 7 of 8 years in Denmark</p> <p>2004 definition for the maximum total support for a family, Kontanthjælpstiløft</p> <p>2006 subsidies to companies employing immigrants</p> <p>2006 Government report with emphasis on fundamental values and norms</p> <p>2010 more requirements for earning permanent residence permit, score enough points</p>	<p>2003 Amendments to Nationality act, dual or multiple nationalities allowed</p> <p>2004 Non-Discrimination act</p> <p>2005 clarification of the duties and responsibilities regarding the integration plan</p> <p>2006 Government's new Immigration Policy Program, aim to prevent residential segregation restated</p> <p>2006 Aliens Act, to promote the entry of students</p> <p>2007 New Government Programme on Helsinki Metropolitan Area which focuses on the immigration and integration issues for the first time in conjunction with urban issues</p> <p>2010 financial assistance of asylum seekers was diminished by 30 %</p>	<p>2003: Introductory Act, scheme of rights and obligations to receive tuition in the Norwegian language and workrelated training for 2 years, and White Paper No. 9 (2003-2004). Refugees receive salary for participation. Insentives to participate in the working market. Refugees in the program are entitled to housing allowances if needed.</p> <p>2003 White paper Diversity through (individual) inclusion and participation.</p> <p>2005 Right to language training (300 hours) for immigrants not included in the Introductory Act. Have to qualify for language training.</p> <p>2005 Non Discrimination act (ethnicity, national background, descent, colour, religion and more</p> <p>Throughout 2000-2010 different Action programs for inclusion, participation and anti-discrimination</p> <p>2006 Voluntary to participate in sermony for new citizens</p> <p>2006: The Directorate of Immigration were split in two: Directorate of Immigration and The Directorate of Integration and Diversity</p> <p>2008 Citizenship. Language training or test in addition to 7 years stay the last 10 years</p>	<p>2006 Change of government leading to 2007 decision to close down the Board of Integration</p> <p>2007 Board of Integration closed down. Responsibilities transferred to the County Boards</p> <p>2010 Swedish Public Employment Services gets the overall responsibility for a reformed integration strategy, focusing even stronger on employment</p>
2000			2000



This study constitutes the first part of a four-year comparative research project on Nordic welfare states and the dynamics and effects of ethnic residential segregation (NODES). The project is funded by NORFACE's Research Programme on Migration. Research in the project is to be conducted through five multidisciplinary subprojects to explore the underlying causes and impacts of ethnic segregation both from the perspective of individual migrant families and the receiving society. This research report aims to function as a background study to contextualise the policy framework and practices, immigration flows and settlement patterns that have been hypothesized to shape and affect the processes of ethnic residential segregation in the Nordic countries.

The NODES project involves fourteen researchers and six partner institutions from Denmark (Danish Building Research Institute at Aalborg University), Finland (University of Helsinki and National Institute for Health and Welfare), Norway (University of Oslo and Norwegian Institute of Urban and Regional Research), and Sweden (Institute for Housing and Urban Research at Uppsala University).

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